

## Attali Is Advised to Withdraw Book

### Wiesel Says Mitterrand Urged Ex-Aide To Apologize Over Plagiarism Charge

By Joseph Fitchett  
*International Herald Tribune*

PARIS — President François Mitterrand of France has asserted that Jacques Attali, his former aide and disgraced international banker, should withdraw his book "Verbatim" from circulation, excise portions he is accused of having plagiarized and publicly apologize.

Mr. Mitterrand has not commented publicly on the literary and professional scandals engulfing his former protégé. But Elie Wiesel, the Nobel-laureate author, whose conversations with Mr. Mitterrand are the basis for the French leader's fully endorsed demand for those three actions by Mr. Attali.

Mr. Wiesel contends that Mr. Attali lifted roughly 40 passages from the Wiesel-Mitterrand dialogues and presented them in "Verbatim" as his own conversations.

Speaking of Mr. Mitterrand's position, Mr. Wiesel said in a telephone interview from the United States that "he absolutely accepted my view, said that it was right and that we must obtain this."

Mr. Attali has acknowledged incorporating text from the two men's discussions into his own book, misrepresenting them as conversations he conducted and in some instances placing them several years earlier than the actual discussions.

Meanwhile, the book continues to sell briskly. Unofficial estimates put it over 100,000 copies, making it a best-seller in France. The list of top-selling books to be published in Friday's issue of the news magazine L'Express ranks it eighth, down from fifth, after 11 weeks on the best-seller list.

The office of the publisher, Fayard, could not be reached for comment, but booksellers said that "Verbatim" was quickly reprinted shortly after being issued in May, following Mr. Wiesel's accusations.

The Wiesel-Mitterrand manuscript was to be published by Odile Jacob, a company that has talked publicly about bringing lawsuits against both Mr. Attali and Fayard — so far without taking any action.

The charges of plagiarism against Mr. Attali have been overshadowed by his problems at the European Bank for Reconstruction and Development, from which he resigned as president in June amid heavy criticism of his performance. The bank has announced that it will waive any legal action against him now that he has renounced his severance pay, the equivalent of a year's salary.

But Mr. Wiesel's disclosure seems to indicate that Mr. Mitterrand has distanced himself from the man who was his closest adviser for nearly a decade before moving on to take charge of the London-based bank.

Presidential aides have started characterizing the writing of the book as a treacherous act by Mr. Attali against his benefactor.

Although casting Mr. Mitterrand in a flattering light, it caused diplomatic waves by disclosing details of French dealings with foreign leaders and became a political embarrassment by adding Mr. Attali to the list of discredited Mitterrand associates.

Mr. Wiesel said that he had no intention of seeking legal redress against Mr. Attali, especially not at a time when he had suffered so many other blows.

Instead, he said, he and Mr. Mitterrand hope to produce a new volume of their own. That will be hard, Mr. Wiesel said, because Mr. Attali has lifted so much of their deepest thoughts that the two men would have to struggle to avoid "giving the impression that we are plagiarizing ourselves."

## Defeat for Major Delays Decision on Maastricht

### Tory Is Forced Into Confidence Vote on Friday

Compiled by Our Staff From Dispatches

LONDON — The British government was defeated Thursday night in a parliamentary motion on the Maastricht treaty, further delaying ratification of the treaty that sets course for closer European monetary and political union.

In the second vote of the night on the treaty, the Conservative government was defeated by 324 votes to 316.

The result put Prime Minister John Major's ratification plans in limbo, although he said he was still committed to approving the treaty in the near future.

The prime minister was forced into calling a confidence motion in his Conservative government to try to force through ratification. The vote on that motion will be Friday.

"We must resolve this issue and it cannot be permitted to fester any longer," Mr. Major said after the second vote. "I therefore give notice that the government will invite the House to come to a resolution tomorrow in support of the government's policy on the social chapter by putting down a motion of confidence."

If Mr. Major loses that vote, he could be replaced by another Conservative as prime minister, or Queen Elizabeth II could dissolve Parliament and call new national elections.

In the first vote, the speaker of the House, Betty Boothroyd, broke a tie vote in favor of the government after the Commons deadlocked in a 317-317 vote, on an opposition Labor Party motion on adoption of a charter on labor rights contained in the treaty.

Crucial support came from nine Protestant lawmakers from Northern Ireland, who had been openly seeking a deal with the government.

It was not immediately known what Mr. Major had offered for their votes.

Conservative legislators cheered as the first vote was announced, and Prime Minister Major smiled with relief. But the second vote wiped away the smile.

Ailing legislators were summoned in for the

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DOWNING STREET SCUFFLE — A London security guard chasing a man as he ran Thursday toward No. 10 Downing Street, the official residence of Prime Minister John Major. The man had slipped through the metal gate as it was being opened for a vehicle. He was tackled, arrested and taken away for questioning.

## GM Secrets Case Grows, Prosecutors Say

By Brandon Mitchener  
*International Herald Tribune*

FRANKFURT — German prosecutors said Thursday that papers found in an apartment occupied by associates of Volkswagen's purchasing manager contained industrial secrets taken from General Motors Corp., the purchasing manager's former employer.

Although it was too early to say whether formal charges might be filed, evidence appeared to be building, Georg Nauth, a spokesman for the prosecutor's office in Darmstadt, Germany, told Bloomberg Business News.

"What was but a hazy suspicion a couple of months ago is turning more and more into a valid case," Mr. Nauth said.

The disclosures on Thursday also fueled speculation that VW might ask for the resignation of the purchasing manager, José Ignacio López de Arriortua, who moved from GM to Volkswagen in March.

Mr. López was nicknamed "Mr. Mercedes" by some of the automaker's employees because of his cost-cutting zeal.

"Volkswagen should quickly consider whether Mr. López is an asset to the company or not," Friedrich Ost, a close aide to Chancellor Helmut Kohl of Germany, told the daily newspaper Bild.

"A key VW position such as that of Mr. López must be filled by a person of complete integrity."

The manufacturer of Volkswagen, Audi, SEAT and Skoda automobiles is Europe's biggest automaker and Germany's second-largest company. Adam Opel, GM's German automotive subsidiary, is Germany's 12th-largest company.

The prosecutor's office Thursday confirmed reports that four boxes found in an apartment in Wiesbaden, Germany, occupied by two associates of Mr. López contained confidential papers and slides from Opel's technical design center.

The papers included plans for a new compact car and details on another model, prosecutors said.

The documents were supposed to have been available only to top GM managers. GM has said that Mr. López asked to see some of the documents shortly before he quit GM in March to go to work at Volkswagen.

As a result of the discovery, prosecutors are expanding their investigation to include the two former Opel employees as well as Mr. López and his closest aide at GM — all of whom also moved to VW from GM when Mr. López left.

Opel — which has accused Mr. López and an unspecified number of associates of industrial espionage, embezzlement and breach of trust — said Thursday that the documents found in Wiesbaden were secret and should never have left the company.

Mr. López was reported to be on vacation Thursday in his native Spain and was unavailable for comment.

VW issued a statement defending him. "The supervisory and management boards of Volkswagen reaffirm that Mr. López has performed handsomely in his few months with the company," it said, adding that there was no indication that any of the documents discovered by the

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## Central Banks Fight Franc Speculators

Compiled by Our Staff From Dispatches

PARIS — A run on the French franc and three other currencies Thursday threatened to bring down the European Community's currency system, forcing central banks to massively intervene against foreign-exchange speculators.

The Bank of France and the Bundesbank bought large amounts of francs to keep the currency above its floor in the European Monetary System's exchange-rate mechanism. Central banks also supported the Danish krona, and France and Denmark defended their currencies in the short-term money markets.

"Both the Danes and French hit the alarm buttons on interest rates today," said Dave Brown, chief economist at Tokai Bank in London. "But higher rates are just not compatible with their economic needs," he said. "This madness has to end sometime."

The turmoil also battered the Spanish peseta and the Portuguese escudo, which have already been devalued several times since last autumn, when speculators began attacking weak currencies in the ERM.

"Today is probably the first day we've really seen heavy intervention on both sides of the Rhine," said Christopher Potts, economist at Banque Indosuez. He estimated that the Bank of France spent up to 10 billion Deutsche marks (\$5.89 billion) for francs on Thursday; others said it may have been as high as 15 billion DM.

The central banks managed to keep the mark at 3.4180 francs in London on Thursday, the same level as its Wednesday close. But that rate is just 1.25 centimes away from the ERM's current limit of 3.4303 francs.

The root of the problems in the EMS has been the high-interest-rate policy of the Bundesbank, which has been fighting inflationary pressures that are largely the result of German reunification. The mark, already favored by many investors because of the good German record on protecting its currency, has offered the added allure of high yields on short-term debt instruments.

With Europe gripped by recession, several other governments have been unable to keep interest rates sufficiently high to support their currencies. Britain and Italy have withdrawn from the ERM, while the Irish, Spanish and Portuguese currencies have been devalued. When speculators sense such a move is imminent, they sell the targeted currencies in favor of marks or other strong monies, profiting if a devaluation occurs.

France has been adamant that it would not devalue, and Europe's plans for a single currency may hinge on its ability to defend the franc. The Bundesbank has intervened along with the Bank of France on several occasions when the franc was threatened. But in recent days, it has signaled it will not go beyond its policy of

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### Kiosk

Iraq Accepts Arms Inspection

BAGHDAD (AFP) — Iraq announced Thursday that it was prepared to allow long-term monitoring of its weapons facilities.

The acceptance came in a letter from Foreign Minister Mohammed Said Sabhah to the UN Security Council president, Sir David Hannay, which was made public here.

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Book Review Page 7

Dow Jones	30.18	3,525.22
Trib Index	Up	0.39%
		103.13

The Dollar	Thurs. close	previous close
DM	1.7042	1.6976
Pound	1.5133	1.5156
Yen	105.40	105.125
FF	5.8065	5.8005

## Envoys Put Off Bosnia Talks as Attacks Worsen

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — Bosnia's peace talks were postponed Thursday after Sarajevo was pounded in the worst shelling barrage in several weeks, and Bosnia's president said he would not attend the talks while the fighting continued.

The Bosnian capital, which has been under siege by Serbs since the outbreak of civil war 16 months ago, shuddered with explosions as artillery and tank shells plowed into central districts from Serbian positions in mountains overlooking the city.

Bosnia's Muslim president, Alija Izetbegovic, said he could not attend the peace talks in Geneva while fighting continued.

"Unfortunately, up to this moment, there are no signs that attacks are diminishing," he said in a letter to the international negotiators Lord Owen and Thorvald Stoltenberg. "The offensive around Sarajevo also is not diminishing. As I am writing this letter, the city is being intensely shelled."

The president said the Bosnian delegation would not depart for Geneva on Friday, as the mediators had asked, and he requested a postponement of the talks for two or three days.

In Geneva, Lord Owen and Mr. Stoltenberg postponed the talks until Sunday. In a statement, they said the parties due to attend the talks — including Mr. Izetbegovic — had agreed to the new date.

Although Serbs halted their six-day offensive on strategic Mount Igman, Sarajevo's supply line, the artillery barrage on the city killed 7 people and wounded 38.

The main Kosovo hospital was without electricity during the night, forcing doctors to operate by candlelight. The hospital also has no running water.

In addition to the shelling of Sarajevo, Mr. Izetbegovic said attacks had intensified on the northern front around Brcko, where Serbs are seeking a corridor to link up areas they control with Serbia proper. His letter said that in Brcko, surface-to-surface missiles had been

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## Amid Insults and Fury, Miyazawa Agrees to Quit

By James Sterngold  
*New York Times Service*

TOKYO — Minutes after Prime Minister Kiichi Miyazawa sought to resign gracefully and take responsibility for the Liberal Democratic Party's losses in elections Sunday, party members abandoned their ritual politeness Thursday and transformed the meeting into a nationally televised spectacle of name-calling and criticism as younger members revolted against their aging leaders.

Under intense pressure, Mr. Miyazawa stepped down as party leader. He will stay on as prime minister until parliament meets next month.

Japanese politics is traditionally described as an elaborate process of achieving consensus. But for two and a half hours, harmony was replaced by invective.

Some party members shouted insults at the leaders of a party that had run Japan for nearly four decades by pointing out that they had been convicted as war criminals after World War II, and demanded that they resign.

Others tried to impress on the elders how discredited the party had become in the public eye because of a series of scandals.

"In a way," Shokei Arai, a member of the party's younger generation, said, "the ancient regime has collapsed."

The Liberal Democrats lost control of parliament for the first time in 38 years, but the humiliating confrontation opened a deeper rift that could deny the party any role in the naming of a new prime minister, and might even trigger a split.

The prospect of an opposition party member's becoming prime minister increased further when Morihiro Hosokawa, head of the recently formed Japan New Party, ended days of vacillation and stated that he would support the formation of a coalition government that excluded the Liberal Democrats.

"The only way to create a situation in which power changes hands and ends one-party rule by the Liberal Democrats is to establish a non-Liberal Democratic government," he said.

Mr. Hosokawa's party has been regarded as holding the swing votes in the competition to form a coalition, so his comments led to speculation that he would throw his support behind a government with several conservative parties

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Kiichi Miyazawa, right, looking dejected Thursday and the secretary-general of the party, Seiroku Kajiyama, looking detached.

## A Cairo Divorce Case Tests the Limits of Fundamentalist Intolerance

By Caryle Murphy  
*Washington Post Service*

CAIRO — Nasr Hamid Abu Zeid has been happily married to Ebtihal Younes for over a year, so he was shocked to discover that a divorce was pending. For this matter, so was his wife.

Unknown to both, a fundamentalist Islamic lawyer initiated court proceedings to have their marriage dissolved. The reason cited by the petitioner: A Muslim woman cannot be married to an alleged "apostate" from Islam such as Mr. Abu Zeid.

"I was taken by astonishment," said Mr. Abu Zeid, an assistant professor of Arabic at Cairo University.

The divorce proceedings are the latest twist in a rancorous battle between Mr. Abu Zeid and Islamic conservatives who object to his linguistic research on theological grounds. The scholar has been denied promotion by the university, been called a heretic by mosque preachers, and received death threats in the mail.

His saga is a weather vane to the rising wind of Islamic fervor sweeping the Middle East and Muslim countries elsewhere. In Egypt, it forms the cultural and intellectual backdrop to a yearlong guerrilla war by Islamic militants intent on replacing Cairo's secular government with an Islamic state.

Increasingly challenging the Western-based secular framework of Egypt's legal system and the tolerance of its cultural life, this reassertion of Islamic values was further illustrated by recent court testimony from a noted Islamic scholar that appeared to sanction the killing of "apostates" by individuals if the state did not do its Islamic duty and punish them.

Secular-oriented Egyptians have responded to both incidents by wanting that academic freedom and intellectual tolerance are endangered.

Mr. Abu Zeid's case "is another indication of how the pressure of the political Islamization of this society is getting stronger," said Bahy Eddin Hassan, secretary-general of the Egyptian Organization of Human Rights. "And now it has a voice heard in the universities, which raises serious questions about the future of Egypt."

Mr. Abu Zeid's current troubles began last year when he submitted his work to a university review committee to support his application for promotion to full professor. A teacher since 1972, he was already viewed with suspicion by conservative Islamic circles for what they regarded as his unorthodox — even atheistic — views in a previous book, "Criticism of Religious Discourse."

Mr. Abu Zeid said that work treated "religious discourse as it has been preached through Islamic history."

"It's nothing serious about Islam itself," he said. "My

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## Clinton Denies Bosnia Is Lost

Reuters

WASHINGTON — President Bill Clinton, speaking Thursday, challenged suggestions that the United States had given up on the conflict in Bosnia-Herzegovina, and he said the United States was working to end the war.

"That is not true that we have given up on it," Mr. Clinton said during a photo session with the exiled leader of Haiti, the Reverend Jean-Bertrand Aristide.

Secretary of State Warren M. Christopher said Wednesday that the deteriorating situation in Bosnia was beyond saving.

"The United States is doing all it can consistent with our national interest," Mr. Christopher said, adding, "It's the world's most difficult problem."

# Anti-Terror Squad Reassured by Kohl

## Role of Mystery Agent Adds New Element to Slaying Case

By Rick Atkinson  
Washington Post Service

BERLIN — Chancellor Helmut Kohl on Thursday publicly endorsed the work of Germany's GSG-9 anti-terrorist squad in a show of support for an agency that has come under heavy criticism since a botched arrest last month left two men dead and led to the ouster of the country's top law enforcement officers.

In a visit to the GSG-9 barracks near Bonn, Mr. Kohl brushed aside suggestions that the 220-member squad should be overhauled. "Because of the massive threat from terrorism and internationally organized crime," the chancellor said, "we need a force like the GSG-9 as urgently as ever."

Mr. Kohl's comments foreshadowed his expected re-election campaign next year on a vigorous law-and-order platform. He has paid those in Germany who have paid scant attention to the GSG-9 agent killed in last month's shoot-out and instead have tried "to make a martyr of his murderer," a suspected terrorist named Wolfgang Grams.

Despite his endorsement, Mr. Kohl carefully avoided offering any judgment on the particulars of the gunfire at Bad Kleinen, the Baltic town where Mr. Grams and his companion, Birgit Hogefeld, were surrounded at 3 P.M. on June 27.

Inconsistent and often contradictory statements from German authorities in the past four weeks have fueled suspicions that Mr. Grams was executed after his capture in retaliation for shooting a GSG-9 agent, Michael Newrzella.

Among the most intriguing aspects of the case is the involvement of a mysterious undercover agent — known in the German press as "W-man" — whose role at Bad Kleinen remains uncertain. He was publicly identified Thursday for the first time as Klaus Steinmetz and reportedly infiltrated the Red Army Faction 10 years ago.

The weekly newspaper Die Woche also reported that the attempted arrest of Mr. Grams and Miss Hogefeld apparently went awry when some of the 50 law enforcement agents involved in the operation mistook Mr. Steinmetz for Mr. Grams. Instead of allowing Mr. Steinmetz to escape — thus preserving his cover within the Red Army Faction — he was thrown to the ground next to Miss Hogefeld and arrested.

Mr. Grams, mistakenly believed to be the undercover agent Steinmetz, was initially allowed to flee, apparently shooting Mr. Newrzella before being apprehended, according to the newspaper.

Two witnesses have told the media that they saw another GSG-9 agent kneel on a subdued Mr. Grams and shoot him in the head. This week, authorities confirmed that Mr. Grams was killed with his own gun, although the identity of the triggerman remains a mystery.

lished Thursday in the Berlin newspaper Tageszeitung, denounced Mr. Steinmetz's letter as an "edifice of lies." Mr. Steinmetz, she wrote, "made possible the operation of these killer troops in Bad Kleinen."

In addition to the mystery of what really happened, the Bad Kleinen case has become politically volatile. Interior Minister Rudolf Seiters resigned under pressure earlier this month and federal prosecutor Alexander von Stahl was fired.

Some of Mr. Kohl's opponents have suggested that the government seems much quicker to react to leftist terrorists than the rightist thugs who have terrorized and in some cases murdered non-German residents for more than a year.

The chancellor's appearance Thursday appeared intended to address German anxieties about a steadily increasing crime rate in the wake of reunification. Mr. Kohl can safely calculate that relatively few voters will sympathize with guerrillas from the Red Army Faction, which was rooted in the 1960s and initially known as the Baader-Meinhof gang. Although most original members are in jail or dead, the group last re-emerged in the late 1980s by assassinating several prominent German business leaders.

For GSG-9, founded two decades ago after Palestinian terrorists slaughtered much of Israel's Olympic team in Munich, Mr. Kohl offered sympathy and condolences for the agency's first fatality in the line of duty.

"The indifference with which many people have ignored the violent death of Michael Newrzella in the last few weeks is intolerable and a scandal," Mr. Kohl said. "Instead, there was an attempt to make a martyr of his murderer."

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Mr. Steinmetz apparently was released and attempted to repair his credibility with the Red Army Faction by writing a letter in which he claimed that he escaped. Miss Hogefeld, in a reply from jail pub-



Newly arrived German members of the UN force in Somalia passing through Mogadishu on Thursday on their way to barracks.

# For Germany's Military, a New Chapter

By Craig R. Whitney  
New York Times Service

BONN — In an action intended to demonstrate that reunified Germany is not strung by inhibitions about the use of military forces outside its borders, Germany has begun flying 1,700 soldiers to Somalia in a mission that many fear could prove the opposite.

As a test case of Germany's willingness to take on international responsibilities, the Somalia deployment — the first by German combat soldiers since World War II — is potentially a fragile one. The government has assured the numerous domestic opponents of the operation that the troops joining the United Nations force already there will not be drawn into combat.

But battles between the UN forces and supporters of Somali warlords have been raging almost daily. German critics of the deployment, some of whom oppose any military action except in self-defense against attacks on German territory, say that overaggressive action by American troops in the UN force against supporters of one of the warlords, Mohammed Farrah Aidid, have changed the mission into a purely military quest that the Germans have no business getting involved in.

"The world community rightly expects from reunified Germany an unreserved commitment to United Nations tasks and missions," Chancellor Helmut Kohl said during a visit to army installations in Eastern Germany on Wednesday, but he refused to answer reporters' questions about what the government would do if its soldiers in Somalia got into fighting and took heavy casualties.

If that happened, according to aides to government officials in Bonn, support for the mission by the government majority would crumble, and instead of demonstrating its emergence onto the world scene, Germany would end up having to recall the troops.

When Mr. Kohl originally announced the deployment in December, it looked as if there would be no military threat to the German forces once they got there.

Speaking after the UN secretary-general, Boutros Boutros Ghali, had come to Bonn and pleaded with the Germans not to keep rejecting his requests for contributions to UN peacekeeping forces stretched thin all over the globe, Mr. Kohl said that Germany's international credibility was at stake.

German soldiers would be lightly armed for self-defense, he said, but would only go to areas that had already been pacified by the U.S. troops who were then in action there, and then only to participate in humanitarian aid missions.

If Germans were unwilling to take on even such benign missions as these, the government's argument went, they could hardly lay claim to a permanent seat on the UN Security Council, a move sought by the United States as a way of leading Germany to carry the political weight it acquired by reunification.

Having staked his government's geopolitical credibility on this decision, Mr. Kohl stuck with it when the opposition Social Democratic Party took the matter to a constitutional court this spring. The court ruled that if a majority in parliament expressly approved the deployment, it could go ahead.

A majority did duly support it, but it was a tenuous majority, with many members of Mr. Kohl's own Christian Democratic Union and its coalition Free Democratic partners voting in favor only if, as promised, the troops would not be called upon to do battle.

An advance party of several hundred German soldiers went last month to Somalia, and some of them came under fire when supporters of General Aidid retaliated for a July 12 American helicopter attack against his command and control headquarters.

Pressure began mounting in Bonn to call off the rest of the deployment, with Finance Minister Theo Waigel and Mr. Kohl's close political supporter Wolfgang Schäuble both among those reportedly worrying that the UN mission had changed.

With parliament having adjourned for the summer, the opposition Social Democratic Party called for an emergency session to reconsider the issue, but the deployment went ahead anyway at dawn Wednesday, with Defense Minister Volker Rühe, its strongest supporter, personally sending off 251 soldiers in UN blue berets from the Cologne-Bonn airport. More German troops set off Thursday.

A German army major was among a group of UN soldiers in a small convoy that came under fire near the operational headquarters in Mogadishu on Wednesday, according to German reports, but neither he nor any of the other Germans there was wounded.

The real battle, though, could be the political one in Bonn. "The biggest danger for us comes from home," the conservative daily newspaper Die Welt, a supporter of the deployment, quoted an unnamed army officer in Somalia as having said.

It was some of the heaviest combat since Nicaragua's 10-year civil war ended in 1990. An army spokesman said at least 24 people had been killed and 40 wounded in the initial fighting Wednesday. The rebels, believed to number about 150, said the attack was to protest what they have termed President Violeta Barrios de Chamorro's failure to provide promised land and money for resettlement to former combatants and discharged soldiers.

The attackers also kidnapped Nicaragua's ambassador to Honduras, Noel Rivas Gastazarro, who was traveling on a highway near Estelí. Officials said the rebels also were holding Mr. Rivas Gastazarro's wife, Olga, and their driver.

A Soyuz spacecraft landed safely Thursday in Kazakhstan with its crew of French and Russian cosmonauts, Inter-Tass reported. Jean-Pierre Haigneré of France was lifted into space on July 1 to join Gennadi Manakov and Alexander Poleschchik aboard the Mir space station. The Russians spent almost six months in space. (Reuters)

France's system of penalty points on driving licenses for traffic offenses helped cut road deaths last year, according to a report Thursday from the road safety authorities. In 1992 accidents claimed 9,083 lives and left 198,104 injured, 534 fewer fatalities than in 1991 and 7,864 fewer injured. However, the toll remains among the highest in Europe, with 25 killed and 550 injured on the roads every day.

A vast underground shopping complex being built under the courtyard of the Louvre will open Oct. 15, a month before the museum celebrates its bicentennial. The complex, which is to have a "high-class" image, will include 2 brasseries and 13 French and foreign fast-food outlets. The McDonald's hamburger chain has been turned down. (AFP)

blowout during takeoff at Kennedy, Mr. Fulton said. The plane continued safely to Brussels, and the authorities discovered the spent bullet when it returned to Kennedy, said Bill Cahill, spokesman for the Port Authority, which operates the New York airport. The plane had stopped in Angola for refueling, and investigators believe the bullet is more consistent with the kind of weapons used there as opposed to the United States, he said.

AMMAN, Jordan — Jordan has banned mosque clerics from preaching politics before the November elections, the first multiparty ballot since 1956, officials said Thursday. "The government has issued new rules that mosques should not be used for electioneering purposes and inflammatory political speeches," an official said.

# WORLD BRIEFS

## U.S. and Belarus Sign Nuclear Pact

WASHINGTON (Reuters) — The United States and Belarus signed an agreement Thursday under which Washington agreed to help the former Soviet republic dispose of nuclear weapons left behind after the breakup of the Soviet Union and its armed forces.

Under the accord, signed by Defense Secretary Les Aspin and the Belarus defense minister, Pavel Kozlovsky, Washington will provide \$39 million and advice to assist Belarus in transporting strategic nuclear warheads to nuclear disposal facilities in Russia. Short-range tactical nuclear weapons have already been removed from Belarus.

## Russia Seeks More Arms Sales in Asia

KUALA LUMPUR (AFP) — Russia hopes to use Malaysia's recent order for MiG-29 fighter jets as an entry to sell military weapons and aircraft to Southeast Asia, Foreign Minister Andrei V. Kozhevnikov said Thursday.

"Malaysia is an important first step for us," Mr. Kozhevnikov said after a meeting with Malaysia's defense minister, Najib Tun Razak. "We are open to developing a partnership in the military arena with the other countries in the region." Mr. Kozhevnikov said there was "room for balanced cooperation with Southeast Asian nations."

Last month Malaysia announced plans to purchase 18 MiG-29 aircraft, becoming the first of the Association of South East Asian Nations to order the advanced jet fighters from Moscow. Until now, the West has dominated sales of sophisticated military equipment to Malaysia and other members of the association.

## Seoul Charges a Japanese in Spy Case

SEOUL (AP) — South Korean prosecutors indicted a Japanese reporter Thursday on charges of obtaining military secrets and passing them to Japanese military officials at Tokyo's embassy in Seoul. Masao Shinohara, 40, Seoul bureau chief of the Fuji Television Network, could be sentenced to a maximum of five years in prison if convicted.

Lieutenant Commander Koh Young Chul, an officer at the Korean Defense Ministry's intelligence headquarters, was arrested four weeks ago on charges of passing military documents to Mr. Shinohara. Some of the documents are said to show deployment of South Korea's air force, radar, missiles and ground troops.

## North Korea Army Shuffle Reported

SEOUL (AP) — Kim Jong Il, the son of the North Korean Communist leader, Kim Il Sung, carried out a sweeping military reshuffle this week, it was reported here Thursday.

Groomed to succeed his father, who is 81, the younger Mr. Kim issued an order Monday as supreme military commander to promote 99 military officers, according to Nasona, a South Korean government network that monitors North Korean affairs.

The order came amid rumors that the heir to power had not been seen in public for more than two months and was believed ill. Yonhap, a South Korean news agency, quoted a source in Moscow as saying a German heart specialist had visited North Korea last month. The doctor was shown many patients in a deliberate attempt to obscure the identity of the real patient, Yonhap said.

## Genoa Gang Violence Laid to Drugs

GENOA (Reuters) — Italy sent police reinforcements to Genoa's port area Thursday after two nights of clashes in which gangs of Italian attacked North African immigrants.

The national police chief, Vincenzo Parisi, said the violence appeared to be part of a turf war between Italian and African drug dealers. Seven North Africans were wounded Wednesday night when gangs armed with knives, sticks and stones attacked the immigrants, the police said. Officers in riot gear moved in to stop the attacks and were pelted with stones. Violent incidents were also reported Tuesday.

## No Gain Evident in Hong Kong Talk

BEIJING (Reuters) — Britain and China had no progress to report Thursday after an eighth round of talks on controversial democratic reforms proposed for Hong Kong ahead of its return to Chinese sovereignty in 1997.

Sir Robin McLaren, British ambassador to Beijing, refused to say whether progress had been made in three mornings of talks with the Chinese representative, Jiang Enzhu.

"It's very difficult to say whether one is running or walking, frankly, but I certainly had the feeling we were engaged in serious discussions," Sir Robin said. Dates for a ninth round were to be announced later.

## Nicaraguan Rebels Attack in North

ESTELI, Nicaragua (AP) — Government infantry troops, helicopter gunships and tanks battled an alliance of former combatants and discharged Sandinista soldiers Thursday in a second day of fierce fighting for this northern city.

It was some of the heaviest combat since Nicaragua's 10-year civil war ended in 1990. An army spokesman said at least 24 people had been killed and 40 wounded in the initial fighting Wednesday. The rebels, believed to number about 150, said the attack was to protest what they have termed President Violeta Barrios de Chamorro's failure to provide promised land and money for resettlement to former combatants and discharged soldiers.

The attackers also kidnapped Nicaragua's ambassador to Honduras, Noel Rivas Gastazarro, who was traveling on a highway near Estelí. Officials said the rebels also were holding Mr. Rivas Gastazarro's wife, Olga, and their driver.

## For the Record

A Soyuz spacecraft landed safely Thursday in Kazakhstan with its crew of French and Russian cosmonauts, Inter-Tass reported. Jean-Pierre Haigneré of France was lifted into space on July 1 to join Gennadi Manakov and Alexander Poleschchik aboard the Mir space station. The Russians spent almost six months in space. (Reuters)

## TRAVEL UPDATE

France's system of penalty points on driving licenses for traffic offenses helped cut road deaths last year, according to a report Thursday from the road safety authorities. In 1992 accidents claimed 9,083 lives and left 198,104 injured, 534 fewer fatalities than in 1991 and 7,864 fewer injured. However, the toll remains among the highest in Europe, with 25 killed and 550 injured on the roads every day.

A vast underground shopping complex being built under the courtyard of the Louvre will open Oct. 15, a month before the museum celebrates its bicentennial. The complex, which is to have a "high-class" image, will include 2 brasseries and 13 French and foreign fast-food outlets. The McDonald's hamburger chain has been turned down. (AFP)

blowout during takeoff at Kennedy, Mr. Fulton said. The plane continued safely to Brussels, and the authorities discovered the spent bullet when it returned to Kennedy, said Bill Cahill, spokesman for the Port Authority, which operates the New York airport. The plane had stopped in Angola for refueling, and investigators believe the bullet is more consistent with the kind of weapons used there as opposed to the United States, he said.

AMMAN, Jordan — Jordan has banned mosque clerics from preaching politics before the November elections, the first multiparty ballot since 1956, officials said Thursday. "The government has issued new rules that mosques should not be used for electioneering purposes and inflammatory political speeches," an official said.

# Frankfurt Pool to Close, Sign of National Austerity

By Brandon Mitchener  
International Herald Tribune

FRANKFURT — All across Frankfurt are the signs of tough times, and they read Hände weg vom Stadbad Miitel! — "Hands off the downtown pool."

The indoor pool, built in 1950s as one Frankfurt's biggest contributions to postwar urban renewal, is now the city's most visible victim of fiscal austerity. The pool closes Friday for the summer, and it may never reopen.

"We're the lamb that has to be sacrificed for all the mistakes of city spending," said Heinz Rums, a data proponent of the pool where he swims a mile a day with his wife, Margret.

But Frankfurt, which has 12 public pools, indoor and outdoor, is far from alone. There are growing signs of austerity all across Germany, including the sale of public properties and privatization of municipal services.

Herten, a former mining town in Germany's Ruhr region, is converting the entire local administration into a consortium of public corporations. "For the first time we'll be able to see what city services really cost," Karl Beckelmann, Herten's municipal manager, promised citizens in a recent speech.

Offenbach, near Frankfurt, is closing all its swimming pools, and Marburg, Duisburg, Essen, Stuttgart and Munich are also pulling plugs, according to Harald Lochmann, director of Frankfurt's sport and swimming pool department. "We're going through a period of swimming pool deaths all over Germany," he said.

The asset sell-offs and cutbacks in municipal services long taken for granted are a nationwide symbol not just of municipal budget cutting but also of the spiraling cost of German unification. As the focus of federal spending shifted eastward, there has been less money to go around in the West.

Added to the soaring social costs associated with recession, the fiscal pinch has forced West German cities to make more than cosmetic efforts to rein in spending.

"I wouldn't worry if this were just about a swimming pool or two," said Mr. Lochmann, "but we have to assume this is the beginning of a long phase of consolidation of public deficits."

All together, this city of 630,000 is trying to trim 50 million Deutsche marks (\$30 million) from its 4-billion-DM budget. Much of the cut will come in the form of a freeze on new hiring, while some city agencies are reported to be pondering layoffs, a drastic move for a city government run by socialists and the Greens, Germany's environmental party.

Kindergarten prices are rising to 83 from 71 DM a month. Screenings have been scaled back at the film museum and subsidies for new housing construction have been put on hold.

Officials say the worst is yet to come. The city expects a 31-million-DM deficit this year even after proposed spending cuts.

The collective deficit of all West German municipalities quadrupled last year to 17.1 billion DM as spending rose 14 percent and revenue only 9 percent.

But the budget shortfall is particularly acute in Frankfurt, Germany's financial capital.

First, Frankfurt is far more dependent than other large German cities on income from corporate taxation. Though

still high by German standards, Frankfurt's revenues have taken a hit from the recession at the same time that social expenses are rising.

Second, Frankfurt was Germany's city of superlatives in the economic boom of the 1980s. Per capita, it had the highest expenses for theaters, opera, concerts and community colleges — and the highest new debt formation and interest payments. "The city has been living beyond its means for more than 10 years," Martin Grüber, the city treasurer, said last month in a speech on budget cuts.

Additionally, Frankfurt's wealth inevitably brought waste, city officials admit.

"This is the first time Frankfurt has ever tightened its belt," said Klaus Klipp, an aide to Mr. Grüber. Museums were free, city building codes mandated nesting spaces for birds and bats in new public housing and the local opera was so heavily subsidized that some officials said it would be cheaper to fly every audience to performances in Milan.

Facing growing opposition to plans to close the pool, Frankfurt is also now leaning toward sale of other city assets to raise cash.

Mr. Grüber, the treasurer, says the budget cut will also fall on city bureaucracy, including the possibility that selected municipal services be privatized. "We'll have to study whether the city power and transportation services couldn't be spun off," he said.

While some welcome the chance to take a knife to German bureaucracy, others see the forced change as a high price for German unification. "We want to help the East, of course, but I don't imagine anyone expected it would hit us like this," said Frankfurt's Mr. Lochmann.

# Russians Fire Into Afghanistan

Officers Say Troops Repulsed Tajik Exile Attack on Post

Compiled by Our Staff From Dispatches  
DUSHANBE, Tajikistan — Russian soldiers and border guards fired into Afghanistan on Thursday to repulse an attack against a border post by Tajik exiles and Islamic militants, Russian officers said.

Rebels using grenade launchers fired on the post and then tried to infiltrate the area, said General Anatoli Chichulina, commander of Russians helping Tajikistan guard its border.

He said the rebels were repulsed with Russian casualties. An assault last week left 25 Russian and Tajik soldiers dead. A second rebel attack killed eight.

The first attack led Russia to reinforce troops along Tajikistan's rugged, 1,070-kilometer (665-mile) border with Afghanistan.

Russian and Tajik officials say Islamic militants in Afghanistan are waging war against Tajikistan, a former Soviet republic that has been torn by civil war for a year.

The Tajik government, led by former Communists, is allied with regional forces against Islamic guerrillas and democratic challengers.

Russia, Uzbekistan and Kazakhstan are helping their Tajik neighbors. They say they fear infiltration of Islamic fundamentalist doctrine as well as weapons and drugs.

There were these other developments Thursday in former Soviet republics:

● The Russian parliament refused to reconsider its vote laying claim to the Crimean city of Sevastopol — ignoring a UN Security Council denunciation of the move.

The deputies, rushing through business before the summer recess starting at the weekend, voted against a proposal to review the decision.

The Russian parliament voted unanimously July 9 to claim Sevastopol, now part of Ukraine. The port city is the main base of the Black Sea Fleet.

Sevastopol is at the tip of the Crimean Peninsula, which Moscow transferred to Ukraine in the 1950s, at a time when any suggestion the federal Soviet system of 15 republics might collapse was both hilarious and dangerous.

# U.S. Offers Soldiers To Retrain Haiti Army

By Elaine Sciolino  
New York Times Service

WASHINGTON — The United States has offered to send about 350 troops and military engineers to Haiti as part of an international force to help retrain Haiti's army and work on military construction projects as the country returns to democracy, according to senior American officials.

The Clinton administration and UN officials had made the pledge of assistance in conversations with Haiti's exiled president, the Reverend Jean-Bertrand Aristide, and with the country's ruling military leadership during the recent negotiations that led to an agreement on a political settlement early this month.

The issue of the role of the Haitian military was among those discussed with President Aristide when he met with President Bill Clinton at the White House on Thursday. The purpose of the meeting, a senior U.S. official said, was "to bring some pressure to bear on Aristide to follow through on the Governor's Island agreement."

The internationally backed agreement, which was signed at Governor's Island in New York Harbor, calls for, among other things, the restoration of President Aristide to power. It also involves an ambitious aid program under which UN military advisers are to retrain the Haitian Army and create a police force separate from it.

# U.S. Investigates Bullet Holes In Planes at Kennedy Airport

The Associated Press

NEW YORK — A bullet recovered from the landing gear of one plane and a hole in the wing of another has raised concern about a possible sniper at John F. Kennedy International Airport, but federal officials said Thursday that this was "a remote possibility."

Both planes involved were international flights, and no injuries or flight problems occurred, officials said. One incident occurred in March, the other last week.

The most recent incident occurred July 14 when an American Airlines plane landed at the airport and maintenance workers discovered a hole in its right wing flap, said Bob Fulton, a spokesman for the Federal Aviation Administration.

The plane, which had just completed a round trip to Port-Au-Prince, Haiti, was not affected by the hole, he said. U.S. investigators were trying to determine what caused the hole and where it happened, he said.

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# STATESIDE / JUDICIAL RESTRAINT

## ★ POLITICAL NOTES ★

### Negotiators Say End is Near on Budget Bill

WASHINGTON — Congressional Democrats and the Clinton administration are moving toward a compromise on a \$500-billion deficit-reduction package that reflects key components of the Senate-passed version, including nearly \$58 billion in Medicare cuts and roughly a five-cent increase in the gasoline tax.

The draft toward the Senate version of the budget package was confirmed by Treasury Secretary Lloyd Bentsen and the director of the Office of Management and Budget, Leon E. Panetta, after conferring with House Democrats and meeting with senior budget negotiators in the House and Senate.

Mr. Panetta said the administration was moving toward acceptance of the Senate's proposal for \$8 billion more in Medicare cuts for hospitals, doctors and other health providers than required under the House-passed version.

Mr. Panetta and Mr. Bentsen also said the administration favored a gas tax that would raise between \$22 billion and \$32 billion in revenues over five years. The Senate bill includes a 4.3-cent-per-gallon increase in gas taxes that would generate \$23 billion over five years, unlike the House-passed version that would raise \$72 billion with a broad-based tax on energy.

Congressional Democrats and administration officials said negotiations were moving swiftly, and that a compromise on the package could be reached by the middle of next week. (WP)

### Committee to Scrutinize Elders' Finances

WASHINGTON — A member of the Senate committee that will consider the nomination of Dr. Joycelyn Elders to be surgeon general has asked that the committee hold a "separate, closed hearing or forum" to discuss the nominee's finances. The request was made by Senator Daniel R. Coats, Republican of Indiana.

Dr. Elders has generated controversy because of her outspoken views on sex education, teen pregnancy, contraception and abortion. In recent weeks, opponents also have begun to focus on her financial dealings, and last week the Committee on Labor and Human Resources postponed consideration of the nomination to consider her finances.

Dr. Elders has been criticized for continuing to draw a paycheck from the Arkansas Health Department while receiving consulting fees from the Department of Health and Human Services. The federal agency has stated that paying consultants' fees is a standard practice, and that Dr. Elders earned the fees on vacation time from her Arkansas post. Arkansas state officials have also stated that the arrangement did not violate state law, although Arkansas Governor Jim Guy Tucker, a Democrat, said he disapproved of the practice. Dr. Elders resigned her Arkansas post over the weekend.

Dr. Elders's role as a former director of the National Bank of Arkansas has also been questioned. In 1989, she and other directors were ousted by management in a takeover by dissident shareholders. Attorneys for the bank issued a statement July 16 stating that the incident involved "no allegations of personal wrongdoing against her individually" and adding, "Both the bank and its attorneys have a high regard for Dr. Elders personally, professionally, as a doctor and a public servant." (WP)

### Dalton is Easily Bordered as Navy Secretary

WASHINGTON — The Senate has confirmed John Dalton to be secretary of the navy.

"He is eminently qualified to assume this position," said Senator John W. Warner, Republican of Virginia and a navy secretary in the Nixon administration.

Mr. Dalton was confirmed by voice vote without dissent. He is a 1964 graduate of the Naval Academy who won lavish praise from Republicans and Democrats at his confirmation hearing earlier this month. (AP)

### Panel Contacting Packwood's Female Aides

WASHINGTON — The Senate ethics committee is attempting to contact all women who worked for Senator Bob Packwood, Republican of Oregon, during his 24 years on Capitol Hill in its investigation of a sexual misconduct charges against him.

In a move that appeared to broaden the inquiry significantly, the committee last week began sending letters to 200 to 300 women who have worked for Mr. Packwood since he came to the Senate in 1969. The letters solicit information that could confirm or disprove the complaints against him.

Each letter includes an eight-point questionnaire seeking firsthand information, or information from "a source whom you believe to be reliable and truthful," about "allegations of sexual misconduct, attempts to intimidate and discredit alleged victims of sexual misconduct and misuse of official staff" in the alleged intimidation efforts. (WP)

### Quote / Unquote

Judge Ruth Bader Ginsburg, at her confirmation hearings before the Senate Judiciary Committee: "There's a constitutional right to privacy which consists of, I think, two, at least two, distinguishable parts. One is the privacy expressed most vividly in the Fourth Amendment, that is that government shall not break into my home or my office without a warrant based on probable cause; two, the government shall leave me alone. The other is the notion of personal autonomy. The government shall not make my decisions for me. I shall make as an individual uninhibited, uncontrolled by my government the decisions that affect my life's course." (AP)

### Away From Politics

- A New York City woman who was paralyzed in a 1987 car accident has been awarded \$163.9 million, the largest judgment of its kind in New York state history. Legal experts said that the award is all but certain to be slashed by appellate courts; critics of the laws governing lawsuits in New York criticized the award as excessive.
- The Environmental Protection Agency announced voluntary guidelines on smoking in public buildings to help curb illness from secondhand smoke. The agency asked all companies operating public buildings either to ban smoking or use ventilation.
- A frog haster tripped and impaled his head on the pitchfork-like tail he was using to spear the creatures. Jim Campbell, 33, of Dayton, Ohio, was in fair condition after two barbed prongs were removed.
- A large and a sightseeing boat collided off Vancouver Island, British Columbia, killing four sightseers and seriously injuring two.
- Three Texas National Guardsmen were shot and killed by fellow soldiers during a night-vision training exercise at Fort Hood, Texas. The three were mistaken for pop-up targets.
- The average wheat yield is expected to top 40 bushels per acre this year for the first time, coming in at 40.5 bushels. Total U.S. wheat production for 1993 is forecast at 2.6 billion bushels, up 6 percent from 1992 and the fourth largest on record.
- A former congressman was found guilty in a San Antonio, Texas, court of two charges of accepting bribes. Prosecutors said that Albert Bustamante, who served in Congress from 1985 to 1993, accepted a bribe from a food service company that was trying to renew an air force contract.

NYT/AP

## In Nominee's View, Court Must Be in Tune With the Times

By Linda Greenhouse  
New York Times Service

WASHINGTON — At her Supreme Court confirmation hearings, Judge Ruth Bader Ginsburg has emerged as something of a rare treasure in the modern judicial lexicon: a judicial-restraint liberal.

As one who believes that the judiciary should ordinarily take a backseat to the elected branches of government, she has made easy conversation with the conservative Republicans on the Senate Judiciary committee, who have spent years exhorting judicial nominees to interpret, rather than make, the law.

Judge Ginsburg told the committee that "we must always remember that we live in a democracy that can be destroyed if judges take it upon themselves to rule as Platonic guardians" who impose their own vision of wise government upon society.

But flashes of the passion that animated her earlier life as a courtroom campaigner for women's rights kept shining through her controlled and scholarly testimony, as in her forcefully expressed support for abortion rights as well as her declaration

### NEWS ANALYSIS

that she remained a strong supporter of the proposed equal rights amendment to the constitution.

Several senators, intrigued by the apparent contradiction, have tried to get Judge Ginsburg to provide some kind of unified theory of her life's work.

Senator William S. Cohen, Republican of Maine, told her that the suspicion that she was "basically a political activist hiding in the robes of an appellate judge" had engendered fear in some and hope in others.

But in her testimony are hints that the contradiction is more apparent than real. For Judge Ginsburg, judicial restraint is not necessarily the end in itself that some of her questioners assume it to be, but rather the best means to achieving her vision of equality.

In her view, equality—or any other goal—is best achieved if all branches of government have a stake in achieving it. If courts move too fast, a legal victory may be fleeting and the political support necessary to sustain it may not develop.

This is a disconcerting notion to liberals who came of age in the heroic era of *Brown v. Board of Education*, when constitutional litigation before a welcoming Supreme Court appeared to offer the solution to the country's most profound problems.

Judge Ginsburg was criticized this spring by abortion-rights advocates for a speech in which she said the court had

moved too far, too fast in 1973 when it invalidated the country's abortion laws with its broad ruling in *Roe v. Wade*.

She defended that position at the Senate hearings. As a result of the *Roe* decision, she said, a formerly vigorous abortion-rights movement relaxed while the opposition rallied. Without such a broad ruling, she said, "the people would have expressed themselves in an enduring way on this question" through state-by-state legislation repealing restrictive abortion laws.

Several times during the hearing, Judge Ginsburg stressed the importance of the other branches' taking their constitutional responsibilities seriously and not regarding the constitution as the property of the courts alone.

The constitution is the constitution for the Congress of the United States, and it is addressed to this body before it is addressed to the courts," she said.

There was nothing startling or even unconventional about the points Judge Ginsburg made. But the fact that she was testifying as the first Democratic Supreme Court nominee in a generation served as a marker of change in both the court and the country.

Not only is the court's heroic era long past, but the promise of litigation as the solution to problems has itself long since been tarnished by complex realities: the persistence of racial inequality nearly 40 years after the *Brown* ruling, for example, in addition to the continuing struggle over abortion.

## Rains Bring Threat of New Floods In Midwest

The Associated Press

ST. LOUIS, Missouri — Strong thunderstorms in southeastern Nebraska pushed the Big Nemaha River up 11 feet and caused new flooding Thursday, and heavy rain gave other parts of the Midwest to respite from the flood threat.

There was also flooding in central North Dakota, while under leaden, rainy skies, central Des Moines, Iowa, slowly returned to business for the first time since the city's water system was crippled 12 days before.

U.S. 77, a major north-south route about 60 miles (100 kilometers) west of Topeka, Kansas, was closed by flooding Thursday morning. The 75 residents of Kaskaskia Island in the Mississippi River in Illinois were evacuated overnight when water began seeping through a levee, but workers plugged the hole with sandbags.

More flood warnings were in effect in northwestern Missouri and northeastern Montana. Thunderstorms were expected throughout much of Iowa.

With high water and floods in parts of the Midwest for more than six weeks, additional heavy rains would increase the threat to hundreds of miles of levees, many from long exposure to surging water.

"We are going to have another crest coming down," said Larry Crump, an Army Corps of Engineers spokesman at Kansas City, Missouri, along the Mississippi River. "I don't know when it is going to come, but it is a pattern that has repeated itself over and over and over."

It began repeating itself again Thursday, as more rain poured into the Missouri and Mississippi river basins — as much as five inches in parts of northeastern Kansas.

In Nebraska, the Big Nemaha River rose from 12 feet to more than 23 feet overnight and was expected to reach 30 feet at Falls City, near the border with Kansas and Missouri, the National Weather Service said. Flood stage there is 20 feet.

"That's the seventh time it's been out of the banks since the first of the month," said Roy Osugi, a weather service hydrologist.

Major flooding occurred along Turkey Creek and the south branch of the Big Nemaha River, the weather service said. Local authorities reported no new evacuations or accidents in the latest onslaught of water. About 4,800 people live in Falls City.

In central North Dakota, 4½ inches of rain fell in three hours in Glen Ullin. Mike Halpern, a fire department dispatcher, said the town was a mess Thursday.

"There are basements that have been carved in, there's been a couple of evacuations from those homes," he said. "Sewers are backing up."

He said residents were up before dawn trying to help sandbag the Little Muddy Creek, which was nearing flood stage.

In Bismarck, the state capital, about 45 miles to the east, the police closed half a dozen streets and intersections because of flooding.

In Des Moines, the capital of Iowa, traffic returned to highways and the center city was busy again after officials announced that water in its all 810 miles of the city's mains, fire protection was restored and companies could reopen once building sprinklers were checked.



The New Yorker cover that angered Arab-Americans.

## The New Yorker's Cover Angers Arab-Americans

The Associated Press

NEW YORK — The New Yorker magazine has come under fire for a cover that critics say perpetuates a stereotype of Arabs as troublemakers.

The cover of the July 26 issue of the weekly depicts children on a beach building the Manhattan skyline out of sand. One child is black, another is dark-complected and a third appears to be white.

A red-haired boy with freckles, with a sort of Arab beard, holds a beach shovel and jumps toward a sand model of the World Trade Center.

He is poised to crush the Trade Center's twin towers, the target of a bombing in February that killed six persons and injured more than 1,000. Muslim militants have been charged in the blast.

M. T. Mehdi, secretary-general of the National Council on Islamic Affairs, called the cover "ugly, racist and an assault upon the Arabs."

The National Ethnic Coalition of Organizations, an association of 66 groups, called on the artist, David Mazzucchelli, and the magazine to apologize for the "insulting" drawing.

## CIA Had Close Links to Sheikh

By Douglas Jehl  
New York Times Service

WASHINGTON — CIA officers reviewed all seven applications by Sheikh Omar Abdel Rahman to enter the United States between 1986 and 1990 and only once turned him down because of links to terrorism, U.S. officials said.

The disclosure reveals far more extensive involvement of the Central Intelligence Agency than previously thought in granting the radical Egyptian cleric U.S. visas on as many as four occasions.

The sheikh, whose followers include suspects in the February bombing of the World Trade Center, got into the United States after what U.S. officials now describe as an appalling series of blunders.

The failure of CIA officers to identify the sheikh as a potential threat in six of seven cases is outlined in a classified version of a report by the State Department's inspector-general.

On two occasions, the officers rejected the applications but for nonterrorism reasons, such as failure to provide the address of a sponsor in the United States or the lack of a round-trip airline ticket.

Officials who have been briefed on the findings said there was no indication that the CIA officers' actions were anything more than mistakes. In each case, they said,

the CIA officers reviewed the applications clandestinely in their roles as consular officers.

Some officials, including a few who said they had been suspicious of the CIA's motives, said they had been persuaded that the intelligence agency did not deliberately seek to assist Sheikh Abdel Rahman in entering the country.

But the pattern of CIA involvement raises new questions about the agency's role in the case, and this was most likely the subject of scrutiny at a hearing Thursday before the House Foreign Affairs subcommittee on international security.

The sheikh helped recruit Arab Muslims to fight alongside the U.S.-backed forces in Afghanistan against the Soviet-supported government.

The sheikh was tried and acquitted in connection with the 1981 assassination of President Anwar Sadat of Egypt but remained under house arrest in Egypt until 1986.

### Suspect's Brother Jailed

A brother of a suspect in a plot to bomb the UN headquarters and New York traffic tunnels has been arrested for using a fake passport and will be moved from Brooklyn to Virginia for trial, The New York Times reported.

William M. Kunstler, the lawyer

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The airport will be sited on 1,248 hectares of reclaimed land and will be connected to the urban centres of Hong Kong with new highway and railway infrastructure. The island will accommodate all activities associated with the operation of a major international airport including all air terminal activities, cargo facilities, aircraft maintenance facilities and Government support facilities. The ultimate design capacity of the airport in 2040 is of the order of 150 aircraft stands. These stands will be serviced by a fuel distribution and hydrant system fed from a fuel tank farm on the island.

The Authority wishes to prequalify design companies interested in developing AVIATION FUEL SERVICE SYSTEM DESIGN for the airport island site.

Interested companies which have a proven track-record in designing aviation fuel distribution and hydrant systems are invited to apply by fax for a set of prequalification documents to:

The Project Director, Provisional Airport Authority Hong Kong, 25th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong (Prequalification for Contract 125 - Aviation Fuel Service System Design) FAX NO: (852) 802 8231 TEL NO: (852) 824 7724

Expressions of interest should be received by Monday, 2 August, 1993, 12 Noon (Hong Kong time). Prequalification briefs will be issued immediately upon receipt of expressions of interest. The deadline for receipt of prequalification information as set out in the documentation will be Friday, 13 August, 1993, 12 Noon (Hong Kong time). All submissions should be in the English language.

All costs associated with any submission in response to this notice are entirely the responsibility of the applicant organisation(s) concerned.

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## Patient Nuclear Progress

The Clinton administration is making painstaking progress toward a crucial post-Cold War objective: shutting down nuclear arms-making in North Korea and Iraq. It has sensibly decided that stripping two dangerous outlaws of the capacity to blow up the rest of the world is far more important than satisfying each and every technical doubt along the way.

Critics focus impatiently on two questions: Will North Korea accept special inspections of two nuclear waste sites that could show how much bomb-making plutonium it already has? Will Iraq yield the names of those who supplied its nuclear technology? Until Pyongyang and Baghdad say "yes" to those questions, neither will have lived up to its international obligations.

But the ultimate task is to build watertight levees to stop the seepage of bomb-making material and technology. And that requires long-term monitoring of North Korea and Iraq through regular inspections by the International Atomic Energy Agency. It was therefore gratifying that Pyongyang agreed last weekend to "full and impartial application of IAEA safeguards," allowing regular inspections of its reactors in progress. North Korea has not yet accepted inspections of nuclear waste sites but it has agreed to consult on those arrangements. It also agreed to resume talks with the South "as soon as possible" on bilateral inspections.

The United States and North Korea will meet again in two months. Assuming progress on the inspection issue, the United States is ready to discuss improving relations. It also will consider providing the North with light-water nuclear reactors that are easier to monitor and less proliferation-prone than the graphite reactors it now has.

Negotiations with Iraq also yielded potentially important gains. When Iraq accepted the disarmament provisions of the UN ceasefire resolution, it obliged itself to accept long-term monitoring of its nuclear, chemical, biological and missile facilities. But when the time came for carrying this out, Baghdad balked. It wanted economic sanctions eased before it would accept monitoring.

Last weekend Baghdad reconsidered. Faced with continuing economic pressure, it accepted in principle Security Council Resolution 715, which provides for long-term monitoring. It also agreed to have surveillance cameras installed at its missile test sites to help assure that it does not develop long-range missiles. That is progress — but until Iraq actually institutes the monitoring and discloses its suppliers, economic sanctions should stay in place.

Containing proliferation takes patience and persistence. The Clinton administration is showing that.

—THE NEW YORK TIMES

## A Cautious Revolution

If it is possible to speak of an electorate taking a careful leap into the unknown, that is what Japan's voters did last weekend. They deprived the Liberal Democratic Party of a parliamentary majority, which can fairly be seen as a revolution in a country that the LDP has run since 1955. But voters delivered an even more decisive blow to the Social Democratic Party (formerly the Socialists), which lost almost half its seats in the Diet.

The big winners were three new parties — including one called the New Party — which took 103 of the 511 seats at stake their first time out. The new parties, which include rebels from the Liberal Democrats, promise political reform and are variously described as centrist or even conservative. They drew support from voters who did not want to turn Japan upside down but did seek to loosen the grip of the old order — the alliance of politicians, industrialists, farmers and bureaucrats that has governed Japan since it began its extraordinary feat of social and economic reconstruction after World War II.

Although they lost ground, the Liberal Democrats remain by far Japan's largest party, and their resilience suggests that many voters are still wary of upsetting arrangements that have produced so much growth. But a series of scandals and increasing popular impatience with a closed and self-referential political class opened the way for new parties and in consumers whose interests have long

taken second place to the producers who run the farms and own the factories. In the long run, these parties could create a political alternative for voters who want change but were reluctant to seek it from the Socialists. Like voters elsewhere, the Japanese electorate seems particularly interested in alternatives outside the traditional right and left.

The election heralds a period of political turmoil that could make it hard for Japan to reach agreements with the United States and others on difficult trade issues. The new parties contain both pro-consumer elements and supporters of greater Japanese assertion. For all the troubles the United States and Japan have had recently, it is worth remembering that maintaining solid relations with Washington has always been a major LDP calling card. But Japan's relationship with the United States was not the main issue at stake on Sunday; reform was. Thus did Japan join the list of countries where politics is being restructured by the end of the Cold War.

The Liberal Democrats face internal upheaval as younger members of the party suggest that even the LDP should join the reform bandwagon. Yet the Liberal Democrats still bulk so large that it will be difficult to form a government without them — or without a further fragmentation of their ranks. Japan's politics became a bit more democratic on Sunday, but the old-line politicians could have a great deal of say over what happens next.

—THE WASHINGTON POST

## Politics in Pakistan

Pakistan appears to be staggering toward the resolution of a five-month crisis. Politics in that country is intensely personal, as strongly spiced as the national cuisine. Incompatibility has been nearly total between President Ghulam Ishaq Khan and Prime Minister Nawaz Sharif. So both have now resigned, thus opening the way for Pakistan's sixth election in as many years, a consummation devoutly sought by the opposition leader Benazir Bhutto, who threatened to paralyze Islamabad with protest demonstrations.

This means that until October, a big, important Islamic country will be under a weak caretaker government, with the likelihood that neither Mr. Sharif nor Miss Bhutto will emerge with a parliamentary majority.

Still, as the prime minister rightly emphasized, this is the first time since independence in 1947 that any government in Pakistan has voluntarily relinquished power. And for now, the country's powerful armed forces are serving as brokers and not as arbiters of the double resignation. Elections are clearly preferable to the harsh martial rule that Pakistan has suffered for much of its existence.

All the principals in this pas de trois have managed turmoils. In April the president dismissed the prime minister, alleging abuse of power and gross corruption. In May Pakistan's Supreme Court reinstated Mr. Sharif, ruling that the president had exceeded his powers — even though the same court earlier sustained Miss Bhutto's dismissal by the same president. Miss Bhutto thus found herself defending the authority of an indirectly elected president to sack an elected prime minister, nimbly reversing roles with Mr. Sharif.

For his part, Mr. Sharif initially tried to form an alliance with Miss Bhutto, then rejected her demands for new elections as long as Mr. Ishaq Khan remained president. The latter's resignation now clears the way for a nationwide vote.

As politicians bickered, Pakistan's economy slumped, drug traffic soared and sectarian rifts deepened. Wisely, the armed forces have ignored calls for renewed martial law. Yet the danger persists, as does the wild peril of a nuclear arms race with India. Pakistan's troubles are far from over.

—THE NEW YORK TIMES

## Other Comment

### End of a Monopoly in Japan

We knew the ruling Liberal Democratic Party was in trouble when on a recent trip to Tokyo we happened to see three copies of the Land's End catalogue in the mailroom of a middle-class apartment building. Japanese who have discovered how discount American mail-order houses pamper consumers are somehow not likely to put up with the money politics that has kept the LDP in power while ensuring second-class citizen status for consumers.

This victory for reform (in the July 18 elections) can best be understood in the name of conservatism. Voters want changes in both the political and economic systems to reflect what Japanese themselves want, rather than what the bureaucrats in the Ministry of Finance think

they should have. Consumers have fared poorly in Japan, Inc., whether as voters or purchasers of goods and services. As voters, the Japanese found themselves forced by the Socialist agenda into granting the LDP a virtual monopoly, with all the defects of arrogance that a monopolist engenders. And because this political monopoly has historically elevated the special interests of big business into a national priority, the Japanese enjoyed limited consumer choice and were forced to pay artificially high prices for almost everything that was available.

Japanese may not have voted to kill off the LDP, but their clear rejection of the Socialists in favor of center-right reformers shows they have opted for something far more radical in the Japanese context: a genuine opposition.

—Far Eastern Economic Review (Hong Kong)

## NATO Edges Security Eastward

By Flora Lewis

PARIS — It is happenstance, but fitting, that the first NATO supreme commander whose major concern is how to cooperate with ex-Soviet bloc forces instead of how to oppose them should be Polish-born of Georgian origin.

In one sense, the mission of General John Shalikashvili (aides call him Shally) is the same as that of all his predecessors: to assure the security of alliance members. But it has been turned on its head, to the point where arguments are mushrooming that NATO serves no further purpose and can be forgotten.

This is utterly foolish. The Soviets are no longer the enemy, but there is a serious new threat. It is disorder, more difficult to handle than Cold War confronta-

Two approaches, which can and should be complementary, are beginning to make more solid headway than has been noticed. One, essentially diplomatic, is French Prime Minister Edouard Balladur's call for a pact on stability in Europe. The plan is for a 35-nation treaty, including the United States and Canada but excluding ex-Soviet Central Asia, Georgia, Armenia and Azerbaijan. The European Community is working on it now, with plans for the 12 to approve a draft at their December summit, convoked a conference next year and produce a treaty late in 1994.

The second, more directly military and concrete, is NACC — the North Atlantic Cooperation Council, pronounced in NATO jargon *nack-see*. It started out as little more than a professional salon, a place to meet. But it has rapidly gathered momentum, placing Eastern officers in NATO and Western military schools, including West Point, and assuring contacts at all levels. Training is planned for joint East-West exercises for peacekeeping missions, and naval exercises have begun with units from NATO, Russia, the Baltic states and Poland.

That is integration from the bottom up, a good place to start. The genius of NATO, which remains the only solid institutional link between the United States and Europe, is precisely its unique focus on integration and its ability to move from windy strategic and diplomatic concepts to military capacity. It is a can-do, not just a should-do, outfit when it gets its orders, which cannot be denied for the United Nations and others.

General Shalikashvili says it is able now to undertake any mission the United Nations or Conference on Security and Cooperation in Europe might assign. He is a strong believer in the importance of exchanges and joint military studies for future security cooperation. And he is convinced that "the great contribution in our security, and the stability and security of the world, is to help the Russians succeed with democratic reforms."

He wears eight rows of campaign ribbons, but no doubt it is his family background that gives him special insight. He is an American officer as a result of his father's participation in three lost wars — a Georgian cavalry officer fighting the Bolsheviks, then, having fled to Poland, a Polish officer against the Germans, then, as German prisoner of war, persuaded to fight the Soviets. His father wound up World War II as a war prisoner in Italy, and then took his family to America.

NATO is not obsolete. It has a bigger task than ever: spreading the sense of security and the futility of war across Europe. It takes organization, not just pius hope, to do that.

© Flora Lewis

### NATO has a bigger task than ever: spreading a sense of security and of the futility of war across Europe.

tion, as the Yugoslav wars show. The collapse of the Warsaw Pact has left a security vacuum in the east of NATO that cannot be ignored.

The instinctive reaction in the East is to ask for admission to the alliance, and some Western strategists have started to advocate that. It is premature. There are tremendous difficulties, not only of trust, finance, organization, but also of political-military geography. Where should the line be drawn — at the old Soviet borders, which would upset the Russians and perhaps undermine Moscow's reform drive; at the Urals, which would undermine the fragile Commonwealth of Independent States — and then what about Russian Siberia? There is no good answer at this stage of emergence from the neat geography of the Cold War.

By definition of its treaty, NATO is territorial. The only change of its map so far is inclusion of what was East Germany. All the borders eastward are subject to controversy, another reason why allied members are not about to make a solemn commitment to defend them.

Yet, as Senator Richard Lugar has said, the basic choice for NATO now is "out of area or out of business." The questions are how to go about expanding its security regime in the twilight zone between no involvement at all and full incorporation of former enemies in a collective security pact. Eventually the latter should be the goal, but trying to make the transformation too fast could destroy the whole valuable structure.

## The Khmer Rouge Have a Hard Foot in the Door

By Michael Leifer

LONDON — How in deal with the Khmer Rouge as the United Nations winds down its operations in Cambodia will be a major item on the agenda of ASEAN foreign ministers as they meet in Singapore this Friday and Saturday. The issue will also come up in talks next week between the ASEAN ministers and their counterparts from the United States, Japan and other Asia-Pacific countries.

The struggle for power in Cambodia may have entered a new phase with the recent occupation by Khmer Rouge troops of the ruins of the ancient temple of Preah Vihear on the border with Thailand.

The temple, regarded by Cambodians as part of their cultural heritage, is located on the northern border with Thailand on the edge of the Daeuk mountain range, which overlooks the Cambodian plain. The temple was once the subject of an acrimonious dispute with Thailand, but the dispute was settled in Cambodia's favor in 1962 by the International Court of Justice.

Cambodia's control of the temple site has been tenuous during past decades of conflict, especially since manu-

al access is from the Thai side; access from Cambodia is exceedingly difficult, up a steep escarpment. The interim government in Phnom Penh has charged that the occupation of Preah Vihear by the Khmer Rouge took place with Thai collusion. Within Cambodia, the temple has long been a symbol of independence since the early 1970s, when it was seized by the Khmer Rouge.

The seizure of Preah Vihear is not of any military significance, but it is a reassertion by the Khmer Rouge of their claim to represent the authentic voice of Cambodian nationalism. It indicates that however their leaders rationalize accepting the results of once repudiated elections, the ultimate political goal to regain power has not changed.

The Khmer Rouge must take heart from the fragile political situation in Phnom Penh, which allows Prince Norodom Sihanouk to resume a monarch's role above the interim coalition government formed since the elections in May. His son, Prince Norodom Ranariddh, leads the royalist party, which secured a near ma-

## Italian Views on Somalia Deserve a Better Hearing

By Frances Kennedy

ROME — The United Nations has been painting Italy as a troublemaker, a disobedient child who thinks it knows better than its elders.

When Rome dared to raise its concerns about the increasingly bloody course of the humanitarian mission in Somalia, it was quickly and publicly slapped down by UN officials from ground commanders to the secretary-general.

Such high-handed behavior does little for the image of the United Nations, and, worse still, it risks obscuring the real issue. The methods and scope of the peacekeeping operation need to be reviewed.

The criticisms voiced by Rome, after three of its soldiers were killed in an ambush by followers of General Mohammed Farrah Aidid, are based on its heavy military presence in Somalia, its belief in dialogue to reach a settlement and its colonial links in Somalia.

No one likes to see its soldiers return in body bags. With 2,600 troops, Italy is the second biggest force in Somalia, and its troops are in one of the most dangerous areas of Mogadishu. In six weeks, the Italians destroyed nearly two tons of arms in Somalia without a single shot being fired, but because of the ill-advised decisions of their UN commanders they became targets.

The Italians killed in the ambush paid with their lives for American air raids that had enraged and alienated the local population and not just the followers of General Aidid.

The U.S. military attacks its targets from the safety of helicopters and planes, and the marines retire to their ships overnight. The Italians and the rest of the force remain on land, vulnerable to reprisals.

Italy's criticism is based not just on self-interest but on an entirely different conception of the peacekeeping

### Rome feels it knows what makes Somalia tick.

mission. Italian politics is exceptional in its reliance on compromise, so it is hardly surprising that Rome places a high priority on negotiation.

This flexibility has served well on the international scene. Italy played a crucial role in securing the accord that ended 16 years of civil war in Mozambique. It has also been discreetly active in promoting dialogue between Israel and the Palestinians. Italian soldiers in the multinational force in Lebanon were praised for their good relations with all parties.

The American military command, which has imposed a Rambo approach on the UN force, distrusts what it sees as Machiavellian maneuvering by Italy. It prefers to clearly identify an enemy — General Aidid — put a price on his head and go in with guns blazing, irrespective of the human cost.

Against a spirit of violence, the heart of the Italian contingent, General Bruno Loi, sought to prove a point after the ambush of his men at a strategic checkpoint.

Resisting pressure from the UN command for retaliatory attacks, he negotiated with neighborhood el-

ders and clan representatives to re-take the post. The atmosphere was tense as the Italian units crowded through a crowd, but the barricades were dismantled one by one.

Had the Italians used force, the result probably would have been another bloodbath. It was this independent behavior that incurred the wrath of Secretary-General Butros Butros Ghali, who tried to have General Loi taken off the job.

The third reason for Italy's challenge to the UN operation is that Rome feels it knows what makes Somalia tick. Part of Somalia was an Italian colony until the humiliating defeat of Mussolini's troops in Africa in World War II.

In 1950, Italy became the administering power in the run-up to independence, creating the base for a close and cordial relationship.

Even if Rome's reputation was tarnished by its support for the Somali president-turned-dictator, Mohammed Siad Barre, its investment and technical support created a reserve of goodwill.

The Italian ambassador to Somalia, Enrico Angelini, was the only foreign diplomat to remain in Mogadishu as the country descended into chaos. He has painstakingly established contact with virtually every clan or subclan in the country, following the UN mandate to encourage "broad participation by all sectors of Somali society to promote political settlement."

Mr. Angelini was withdrawn to Rome last month to avoid a confrontation with Admiral Jordanian. However, the UN special representative in Somalia, who did not appreciate the independence of Italy's military or political representatives on the ground.

Recent events clearly reveal the inadequacies of the post-Cold War United Nations. The Somalia operation was supposed to restore its credibility after the fiasco in the former Yugoslavia. Instead, the Somali people's faith in the neutrality and goodwill of the United Nations is being undermined and there are damaging divisions in the peacekeeping forces.

A unified central command is essential to any operation, but it needs to reflect common goals, not those of just one country, in this case the United States.

The appointment on Tuesday of an Italian military official to the Secretary-General's peacekeeping operation, while an obvious attempt to appease Italy, is being welcomed in Rome. So is the scheduled meeting of Italy's undersecretary of foreign affairs, Bruno Botto, with the secretary-general. But pinching up the diplomatic rift will not resolve fundamental concerns about the military operation.

Are the means actually achieving results or becoming an end in themselves? Are the military decision-makers becoming dominant in what is meant to be a humanitarian mission? Does UN approval of the use of force to impose peace in Somalia need clarifying?

Unless these issues are resolved, the risk that Italy may pull out. Worse yet, foreign forces may find themselves still in Somalia years after the United Nations mandate expires in October.

The writer, a correspondent in Rome for the British Broadcasting Corporation, contributed this comment to The New York Times.

## American Bigots Are Getting Younger

By Richard Cohen

WASHINGTON — There is hardly a politician in America who, when children are mentioned, does not say that they are the country's future. That is true, of course, and nothing can be done about it. But the way things are going, we Americans should all be worried. A generation of bigots is coming of age.

The evidence for that awful prognostication can be found in a recent public opinion survey conducted for the Anti-Defamation League by the Boston polling firm of Maritz & Kiley.

Up to now, opinion polls have always found that the more schooling a person has, the more likely he is to be tolerant. For that reason, older people, who by and large have the least education, are the most intolerant age group in the nation. But no longer. The poll found a disturbing symmetry: Older and younger white Americans share the same biases.

For instance, when white people were asked if blacks prefer to remain on welfare rather than work, 42 percent of respondents 50 years old and over said the statement was "probably true." Predictably, the figure plummeted to 29 percent for those 30 to 49. But then it jumped to

36 percent for respondents under 30. Similarly, a majority of younger respondents thought that blacks "complain too much about racism" (68 percent) and "stick together more than others" (63 percent). For both statements, the young had a higher percentage of agreement than any other age category. The pattern persisted for the other questions as well — questions designed to ferret out biased attitudes.

What is going on? The short answer is that no one knows for sure. But some guesses can be ventured, and none of them are comforting.

The first and most obvious explanation has to do with age itself: The under-30 generation is pathetically ignorant of recent American history. Younger people apparently know little about the civil rights struggles of the 1950s and '60s. They apparently do not understand that if blacks tend to see racism everywhere that it is because in the recent past it was everywhere, and because it remains the abiding American sickness.

But historical ignorance is not the only factor accounting for the findings. Another, apparently, is affirmative action. It has created a category of white victims, either real or perceived, who are more likely than other whites to hold prejudicial views.

The survey asked, "Do you feel you have ever been a victim of reverse discrimination in hiring or promotion?" Only 21 percent said "yes." But the percentage rose to 26 percent for college graduates and 23 percent for people with postgraduate degrees. Since the survey found that "about one third" of the self-described victims of reverse discrimination fell into the "most prejudiced" category, these numbers are clearly worth worrying about. Too many of the American elite are racially aggrieved, although possibly some of them were bigoted in the first place.

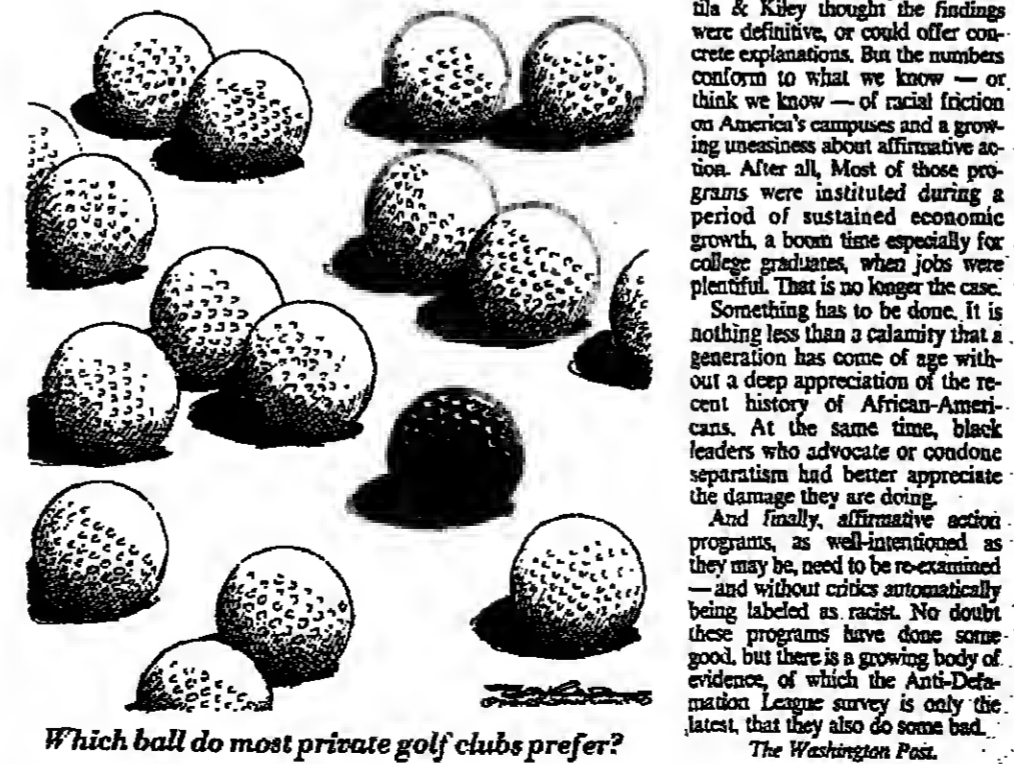
One could argue that not all of the statements represent proof of bigoted attitudes. For instance, white college students who witness voluntary self-segregation on the part of black students — such as demands for their own dormitories — have some reason to think that blacks "stick together more than others." Nevertheless, the data strongly suggest that progress on racial attitudes is being reversed.

No one I spoke with at either the Anti-Defamation League or Maritz & Kiley thought the findings were definitive, or could offer concrete explanations. But the numbers conform to what we know — or think we know — of racial friction on America's campuses and a growing uneasiness about affirmative action. After all, most of those programs were instituted during a period of sustained economic growth, a boom time especially for college graduates, when jobs were plentiful. That is no longer the case.

Something has to be done. It is nothing less than a calamity that a generation has come of age with out a deep appreciation of the recent history of African-Americans. At the same time, black leaders who advocate or condone separatism had better appreciate the damage they are doing.

And finally, affirmative action programs, as well-intentioned as they may be, need to be re-examined — and without critics automatically being labeled as racist. No doubt these programs have done some good, but there is a growing body of evidence, of which the Anti-Defamation League survey is only the latest, that they also do some bad.

The Washington Post



Which ball do most private golf clubs prefer?

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1893: 'Burglars' in Siam

NEW YORK — In an editorial on the Siamese difficulty to-day [July 22] the Times says: "It is high time that the civilized world began to take some indignation notice of the proceedings of the French in Siam. The acquisition of Hawaii which President Harrison was not allowed to consummate, would have been less affronting to the moral sense of the world than the conduct of France in Siam. The Recorder says: 'France and England ought to be ashamed of themselves. France's demand of indemnity is like that of a burglar who, after being shot and wounded, makes a demand for damages. England is in the same as ever, willing to make a deal in any enterprise which her fellow burglar may concoct.'

#### 1943: Bolkhov Is Taken

LONDON — [From our New York edition:] Russian armies capturing Orel's defenses have liquidated a strong fortified belt north of the city in a ten-day non-stop offensive in that area that has cost the Germans more than 50,000 killed and 6,000 captured. Moscow announced today [July 23] a bulletin said Bolkhov, 32 miles north of the city, had fallen to the advancing Red Army. Bolkhov already had been passed by the Red Army units racing to take Orel from the rear. The seizure of the strong point, Moscow said, "finished the liquidation of strongly fortified districts of the enemy north of Orel."

#### 1918: Preparing Retreat

WITH THE FIGHTING ARMIES — There are signs everywhere that the Germans are destroying material and

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Advertisement for a survey about golf ball preferences, featuring an illustration of golf balls and the text 'Which ball do most private golf clubs prefer?'.

Advertisement for a survey about golf ball preferences, featuring an illustration of golf balls and the text 'Which ball do most private golf clubs prefer?'.

OPINION

Under the Budget Camouflage

By Robert J. Samuelson

WASHINGTON — There are no heroes in this year's budget brawl. From the start, President Bill Clinton has been hypocritical. He promised both dramatic deficit reduction and more spending...

Even if the full \$500 billion deficit cut survives the House-Senate conference, it would be smaller than one adopted under President Bush in 1990.

Clinton's plan may stand a better chance of reaching its goal.

Where would that leave us? Oh, with an annual deficit of about \$200 billion in 1998, maybe a bit more or less. Estimates are erroneous; a \$50 billion mistake would be easy.

Higher taxes, including user fees, account for the biggest cuts. The Senate's taxes total \$255 billion over five years, the House's about \$291 billion.

Spending cuts total about \$179 billion in the Senate budget and \$149 billion in the House's. These are concentrated in defense (\$110 billion over five years) and Medicare (\$58 billion in the Senate's bill and \$56 billion in the House's).

CROSSINGS

A White Man's Journey Into Black America By Walt Harrington. 466 pages. \$25. HarperCollins.

UP SOUTH. Stories, Studies and Letters of This Century's African-American Migrations Edited by Malaika Adero. 216 pages. \$25. New Press.

Reviewed by Herbert Mitgang

To learn what it means to be black in the United States today, Walt Harrington, a white staff writer for The Washington Post Magazine, decided to cross the country and ask scores of black people what they thought and how they felt about their lives.

Bidding goodbye to his wife, Keran, who is black, and their two children, he started from their home near Washington and, during three trips in his old Lincoln Towncar, drove the Deep South, the urban North and the Western states, he covered 25,000 miles (40,000 kilometers) on his voyage of discovery.

In "Crossings," he confirms what most of us already know or surmise: blacks and whites dwell in separate worlds.

Even in a democracy, trying to break down this divide remains, as Gunnar Myrdal called it in his classic study a half-century ago, "An American Dilemma."

Among the most appealing voices in the book is that of the author's father-in-law, Alex, a rural individualist living in southwestern Kentucky, who tells him that "somewhere back in nearly every black person's past is a little Southern farm."

The author writes: "After my journey, frankly, I'm less frightened of black people, and I downright admire their humor, their worldly-wise skepticism and their amazing ability to make something out of nothing. I know now that

cut spending programs that have strong constituencies. Economic stagnation and political disillusion may then feed on each other. This sort of impasse evolves slowly over decades, as political leaders rationalize constant government growth, permanent deficits and timid efforts to control both.

That is what has happened in Europe, and America is marching down the same path. Pressures for future spending and tax increases are huge. They stem from big budget deficits, soaring health costs and an aging population. Because these pressures are so strong, budget-writers should cut ruthlessly the least useful government programs.

Mr. Clinton never took the case for curbing spending to the public or embraced it himself. He has three more budgets to go, and maybe he will change his approach. Maybe health care reform will control those costs. Or maybe the political system isn't capable of anything more than this year's messy, halting deficit reduction. If so, it's not enough.

The Washington Post

It has good points and bad. Among the good: the expansion of the earned-income tax credit for the working poor. This will reward work for the lowest-paid families. Among the bad: the gutting of the 1986 tax reform by raising top tax rates for individuals (to nearly 40 percent) and corporations (to 35 percent).

Mr. Clinton and Congress abandoned the philosophy that tax increases should come from broadening the tax base rather than raising tax rates.

Even if the full \$500 billion deficit cut survives the House-Senate conference (and it may not), it would be smaller than the package adopted by President George Bush and Congress in 1990. That plan had \$496 billion in deficit cuts over five years, which, after adjustment for inflation, exceeds the present package, at least on paper.

Unfortunately, lower deficits didn't materialize. The savings were offset by an unexpected surge in health costs and the recession, which lowered tax revenues. That was bad luck.

Mr. Clinton's plan may stand a better chance of reaching its goal.

Where would that leave us? Oh, with an annual deficit of about \$200 billion in 1998, maybe a bit more or less. Estimates are erroneous; a \$50 billion mistake would be easy. But unless more is done, the deficit would then rise. This ought to be worrying, and it's important to understand why.

Contrary to popular wisdom, deficit cuts are not a formula for instant economic growth. Indeed, no one knows how the present budget plan will immediately affect the economy. Higher taxes and lower spending, especially on defense, might slightly depress growth.

On the other hand, lower deficits might slightly reduce interest rates that would help growth. On balance, all these changes may offset each other. (In a \$6 trillion economy, deficits aren't everything. For instance, the main cause of lower long-term interest rates is lower inflation.)

But sooner or later, large deficits and the accompanying growth of government become unsustainable. High tax rates and debt levels gradually discourage risk-taking and harm economic growth. Meanwhile, government cannot easily

black people are like me and unlike me at the same time." Visiting his old suburban Chicago high school, he is surprised to find a growing integration and friendship of students of all races.

"Crossings" leaves reason for a limited amount of hope for better race relations in the future. Harrington puts it this way: "In short, race still matters, but it is no longer all that matters. It is time for whites to admit that despite all the changes of the last several decades, racism is still a plague on America. It is time for blacks to admit that as bad as racism is today, great strides have been made."

In "Up South," Malaika Adero, a writer and editor, assembles an informative collection of letters, editorials, documents, fiction excerpts and photographs that chart the internal migration of blacks from the agricultural South to the cities in the Northeast and Midwest during the first half of this century.

The letters and articles from each important black newspaper as The Chicago Defender tell fascinating stories of the frustrations, achievements and dreams of migrating families. They went "up South" to get jobs and to leave behind the discrimination that prevailed in the Southern states before the federal civil rights legislation of the 1960s.

Migration intensified during and after World War I. A report in The Chicago Defender in 1916 reflects the optimistic mood: "The migration of the colored workers from

In Africa, Radical Reform Is Working

Regarding "To the World Bank and IMF: Africa Has Its Own Agenda" (Letters, July 1) from Hassan A. Sumnuu

Mr. Sumnuu, the secretary-general of the Organization of African Trade Union Unity, praises Edward V. K. Jaycox, the World Bank's vice president for the Africa region, for "admitting the abyssal failure" of World Bank and IMF-supported programs.

This misrepresents Mr. Jaycox's views. The reference to failure (in a speech to the African American Institute) did not relate to reform programs but to capacity building. The failure in building skills and capacity in Africa, he said, was a responsibility shared by donors and African governments: donors had relied excessively on expatriate assistance while African governments had neglected talented local professionals.

Mr. Jaycox went on describing current initiatives (including the Harare-based African Capacity Foundation) to nurture local talent and to maximize African inputs in the design and implementation of Bank-supported programs and projects.

Blaming Africa's problems on these programs ignores the efforts of the many African leaders who have courageously embarked on radical reforms to put their countries on the path to sustainable development. It is also factually incorrect. In a core group of 15 countries (accounting for the bulk of Africa's population) that have implemented policy reforms successfully over time, outcomes have been encouraging.

All key performance indicators for this group have been considerably better than those for the remainder of the region. GDP of the adjusting countries grew by 3.5 percent a year in 1991 and 1992.

International Bank for Reconstruction and Development. European Office, Paris.

A Big Hit in Baghdad

The idea that a failed plot against former President George Bush is justification for missile attacks that kill innocent civilians

is totally disproportionate. This longtime Democrat does not support the U.S. action. It was an attempt to gain short-term political advantage that will have long-term negative effects.

ALFRED E. DAVIDSON, Paris.

The U.S. action can certainly be justified. Baghdad has no respect for international law or human rights. One need only recall the invasion of Kuwait and the slaughter of political opponents. Since the Gulf War, Saddam Hussein has learned nothing.

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LETTERS TO THE EDITOR

In Africa, Radical Reform Is Working

Regarding "To the World Bank and IMF: Africa Has Its Own Agenda" (Letters, July 1) from Hassan A. Sumnuu

Mr. Sumnuu, the secretary-general of the Organization of African Trade Union Unity, praises Edward V. K. Jaycox, the World Bank's vice president for the Africa region, for "admitting the abyssal failure" of World Bank and IMF-supported programs.

This misrepresents Mr. Jaycox's views. The reference to failure (in a speech to the African American Institute) did not relate to reform programs but to capacity building. The failure in building skills and capacity in Africa, he said, was a responsibility shared by donors and African governments: donors had relied excessively on expatriate assistance while African governments had neglected talented local professionals.

Mr. Jaycox went on describing current initiatives (including the Harare-based African Capacity Foundation) to nurture local talent and to maximize African inputs in the design and implementation of Bank-supported programs and projects.

Blaming Africa's problems on these programs ignores the efforts of the many African leaders who have courageously embarked on radical reforms to put their countries on the path to sustainable development. It is also factually incorrect. In a core group of 15 countries (accounting for the bulk of Africa's population) that have implemented policy reforms successfully over time, outcomes have been encouraging.

All key performance indicators for this group have been considerably better than those for the remainder of the region. GDP of the adjusting countries grew by 3.5 percent a year in 1991 and 1992.

International Bank for Reconstruction and Development. European Office, Paris.

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Much of Dog's Thinking Will Stay Off the Record

Daniel S. Greenberg

WASHINGTON — Science, inherently suspicious of the obvious, does not measure, even of what is easy to see. As a result, the study of animal intellect has attained a respectability on a par with physics, chemistry and other traditional disciplines. The news media tag along.

A periodic favorite on television, the subject of animals' capacity for thought, received cover treatment in

from the 18th century, often referred to dogs to make a point. He is remembered for his relentlessly overquoted, smart-alecky assertion: "A woman's preaching is like a dog's walking on his hinder legs. It is not done well; but you are surprised to find it done at all."

But the great sage can also be faulted for another foolish reference in dogs, this one concerning an easily tested proposition: "Did you ever observe," Johnson asked, "that dogs have not the power of comparing? A dog will take a small bit of meat as readily as a large, when both are before him."

No great skill is required in devise an experiment to settle this matter. Such was performed with Walter, a black Labrador retriever resident in our household until his death at an advanced age several years ago, and recently with Ben, age 5, also a Labrador.

Raw hamburger was formed into shapes approximating Ping-Pong balls and tennis balls. In a series of experiments, these were placed at various distances from each other on the floor of a room. Observation revealed that when the dogs were admitted to the test area, they first consumed the nearest meatball, small or large. But if the lures were equally distant from the starting point, they invariably went for the larger one first.

While Johnson cannot be excused for failing to research the simple question of canines' "power of comparing" — a key element of thought — modern research has mobilized excessive scientific firepower for what is, after all, a settled matter. Walter Labrador, for example, thinks his way to preferred food by prying open the refrigerator door and helping himself to choice items, bypassing dull cheese in favor of roast beef.

Ben, on the other hand, is a law-abiding Labrador, but insistently makes his desires known by staring you in the face and issuing gurgling sounds from deep in his throat. When he feels that he has locked on for attention, he takes communication to the next level by banging his bowl for food, standing at the door for a walk, and so on.

The real question, of course, is not whether animals can think. That is settled. Rather, the problem that remains to be examined is what do they think? My own feeling is that they think their human colleagues are, by and large, pretty foolish and misguided about what is important in life. Is there a basis for that feeling? Yes. Anyone who has spent time being thoughtfully observed by a dog will understand.

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**L E T T E R S U R E**

**Valentino Looks East as Paris Shows Close**

By Suzy Menkes  
International Herald Tribune

PARIS—With memories of China and hats shaped like pagodas, Valentino became the Last Emperor of fashion as he closed the couture shows. He led his visit to Beijing in May as "an oasis of human and cultural enrichment." It was for a pretty dramatic show, even if some chinosier might have been best left in orbit. China.

Valentino's great strengths and little weaknesses remain immutable. His collections have femininity, a joie de vivre and exceptional craftsmanship from his Roman ateliers—all that make his international clientele flock back for more. He also takes an idea and loses on it, and he can't resist flourishes of flourish.

Recent Perez, star of the French film "Indochine" sitting front row, proved that Valentino taking his Oriental trip very seriously, the Chinese influence was reduced to a robe over a simple evening dress or a long tulle dress. It had a rare refinement of embroidery laid in a velvet or appliqued on a tailored jacket, all very fancy, were meticulously done. And time used a muted color palette, so that intricate details would show up against a pale ground.

Black and white and sculpted pagoda hats and fun—the result of a collaboration with Philip Treacy, a British former Royal College of Art student, whose military has also done at Chanel. A dashing hat rising to a above a strict jacket was Chinese-chic.

What about Valentino's new silhouette? Did he put his sophisticated clientele into pajamas? Soft pants, stopping at half length or less replaced skirts, apart from an occasional flurry of mid-calf pleats. There was costume party effort—a perambulating wide skirt, complete with tasseled fringe. Valentino worked O.K. when the top was long and fitted. With Valentino's signature fitted skirt they looked like calottes worn by women of a certain age and uncertain figure.

Pants would have been easier to take had they been in plain light-weight fabrics, but also came out with diagonal stripes and men, impeccably matched at every seam. As individual pieces rather than outfits that is increasingly the feeling in the couture shows. There were striking pieces throughout the collection. Even the opulent brocade, trimmed with sable, or a swish of floor-length coat that seemed over the top in

the laid-back 1990s might be acceptable as single jewels set against a dead-simple outfit.

Oscar de la Renta, who took his front seat inexcusably late when the show was two-thirds over, must have known that Valentino would save best for last. Forgetting China altogether, out came that old black-and-white magic—slim evening dresses in velvet, a sinuous dress with a lattice of spidery lace and soft satin clinging to the bosom; and a trio of dresses to close the show instead of the usual wedding gown. In their sculpted glamour, they were not at all Chinese, but very Valentino.

The fall of communism seems to have unleashed in fashion the myth and dream of empires lost. Ancillary entertainments in the last days of couture included Russian designer Valentin Yudashkin, who showed Thursday the Russian-baroque clothes that he is selling to his Moscow clients. While the Western designers are busy deconstructing clothing, 30-year-old Yudashkin showed an all-czars collection, which included a velvet dress sculpted like a Byzantine vase; icon embroideries; and his babushka-clad baby daughter Gala as a bridesmaid. Since the show was staged at Pierre Cardin's theater in the Champs Elysees, it also contained references to Cardin's satellite outfits (at the bosom) and a general mood of the grand days of Gay Paree.

Under the rococo ceilings and crystal wall lights of the Italian Institute, Milanese designer Luisa Beccaria sent out a show to fill European monarchies with hopes of restoration. She put on the runway swishing velvet coats fit for a czarina (music: Dr. Zhivago); Winterhalter-inspired ball gowns (one for a Strauss waltz); and chose as her bride Hélène of Yugoslavia, who came out with her daughter and Beccaria's two children. It was a charming costume party parade for those who want to escape the mean streets of the real world.

THIS couture week has been about redefining belief in high fashion as a trend-setter or a major influence on ordinary wardrobes. Pans and deepers pile velvet emerged as the lead fabric, endorsing what had already been seen in the March ready-to-wear shows. The same is true of colors, which were mostly muted, with old golds and bronzes taking over from gilt and glitter.

There was a continuing flutter of finger-inspired lace and chiffon which make back-to-the-boudoir evening clothes a fading trend since young, fashion-conscious women are starting to cover themselves up. But couture, although it has young clients, does not address itself to the avant-garde and unconventional. Hence the farrago over hemlines. The long tight skirts launched last year (notably by Chanel) made



Valentino's sophisticated chinoiserie-pagoda hat with velvet pantsuit trimmed with ribbon ruffles.

**The Fine Art of Hotel Selection**

By Roger Collis  
International Herald Tribune

WHAT makes a great business hotel? Are you hoping to combine business with pleasure? And who is picking up the tab?

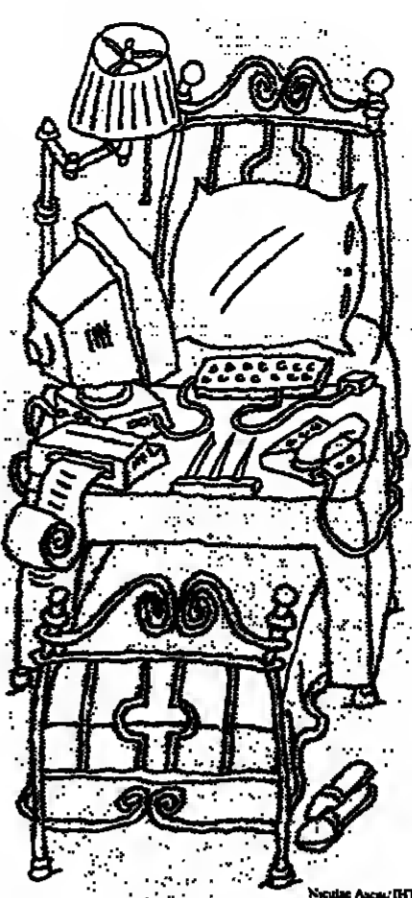
There is one common factor to all first-rate hotels: that elusive amalgam of comfort, friendliness and efficiency that I call hospitality. It is tempting to paraphrase Le Corbusier and say that a hotel is a machine for staying in. So it is, up to a point. We should expect an attractive, quiet, well-lit room and a comfortable bed, a desk with a direct-dial phone, a well-fitted bathroom with a phone extension, personal temperature control, round-the-clock room service and staff that does not act as though it is doing you a favor by letting you stay.

To these basic specifications you can add your own fads and fancies. Some people swear by well-stocked mini-bars, telephone check-ins, "express" checkouts, voice mail messages, two-hour pressing, fax, modem jacks and multi-channel satellite and cable TV.

It's surprising how reputations and habits are formed on the fulfillment of such expectations. Often minor things that may be important at the time, stick in the memory. People savor their prejudices. I know I do.

There was the time years ago at the Plaza Athénée in Paris when for several paranoid minutes no one could trace the shoes (my only pair) that I'd left outside the door for cleaning. Or at the Waldorf, in London, where I had to leap over the bed to get to the phone from a doll-sized desk near the door.

Then there were the wondrously soft bed and prosciutto with luscious pears, and a chilled Pinot Grigio delivered by room service at an unsocial hour at the Hotel Splendido in Portofino, Italy; the marvelous prime-rib at the Brus-



Hotel luggage cart.

Nothing strange about that, you may say. Except that photographers can sometimes look very strange. And I looked strange in an old black jacket, espadrilles and wind-swept hair. But we were received with elaborate courtesy by the liveried doorman and desk clerk. Later, I congratulated the manager on the charm and discretion of his staff. He smiled. "Ah yes, you never know who you have in front of you these days."

A hot humid day in London following summer rain. And when I scuttled in off the street to the Savoy I was literally steaming. Not my best management style. A youngish chap in striped pants steamed across the foyer. "Ahem, can I help you, sir?" "Indeed you can! I need the men's room. And then I'd like some coffee please." A gracious smile. What I really needed, of course, was a quiet spot to get my act together for my next meeting. You can get away with a lot in a grand hotel if you look purposeful.

The moral is that the very best may be the best value, in terms of psychic and physical rewards. You don't need to stay in a grand hotel to enjoy (almost) all the facilities. Which is what savvy travelers are doing these days as a way of cutting corners in style.

This is possible with the growth of budget, or limited-service hotels, such as Marriott's Courtyard Inns and Choice Hotels' "luxury budget" range of Sleep Inns, Quality Inns and Suites, and Clarion Hotels. What they all have in common is well-appointed rooms, with all the frills, but no restaurant, room service, bellboys or concierge.

SOME travelers, instead of "trading down," are "trading across" to the small boutique properties, which can offer the same luxury for a lower price than the major chains and grand hotels.

In some cities, the Hilton, Hyatt, Sheraton, Inter-Continental may be the best in town. Traveling in Lagos, I'd be more than happy to stay in the Sheraton, or the Marriott in Accra, Cairo or Amman.

Chain hotels provide reassurance in gritty or unfamiliar places with unpredictable standards of comfort and service. Driving into Bent Elbow, Wyoming, I'd stop at the Holiday Inn in preference to the Sleepy Hollow Motel. Driving back from Barcelona in a violent summer storm, I was relieved in check in to the Novotel across the border in Perpignan.

"Business travelers are looking for recognition that he, as an individual, is important," says Arthur Lyddall, travel consultant to Chevron in London. "You'll get more recognition if you are booked into a hotel by your own company rather than a travel agent."

Recognition is what you're supposed to get if you sign up with a hotel club or loyalty program. The usual deal is that you must either make a specified number of visits a year or stay so many nights during a year, typically 8 to 16. Benefits range from late checkouts and room upgrades to free breakfast and drinks. Plus "recognition as an honored guest" with a "personal thank you" from the assistant front-house manager. And junk mail forever.

Personally, I go for recognition of an old-fashioned kind.

**The Frequent Traveler**

center, health club or suite for a power breakfast? Are you hoping to combine business with pleasure? And who is picking up the tab?

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**DO'S AND DON'TS**

- Booking Strategy**  
Don't forget that booking directly or through your local subsidiary will bring you more recognition than booking through a travel agent or hotel booking agency.
- Promotional Rates**  
Do check personally with an individual hotel for promotional rates that don't always make it to central reservations. You'll get more recognition and maybe a better deal.
- Setting Priorities**  
Do decide what you want from a hotel: Is location important? Do you need to entertain? Are you buying or selling? And who is picking up the tab?
- Hotel Loyalty Clubs**  
Do join several hotel clubs or loyalty programs that ensure that you get recognition.

**THE ARTS GUIDE**



Portrait of Adele Defarges, "Rescuers of the Holocaust" exhibit in Washington.

- ISRAEL**  
Jerusalem  
The Israel Museum (tel: 708.811). To Oct. 22: "Antiquities: Black History, Cynicism and Irony in Contemporary Israel Art." A survey of humor and absurdity in modern times, with a look at the works of 18 artists and their views on MTV, cinema, advertising and technology.
- ITALY**  
Rome  
Palazzo delle Esposizioni (tel: 488.5465). To Sept. 30: "Richard Meier e Frank Stella: Arte e Architettura." Abstract paintings by Frank Stella and a panorama of designs relating to museums by Richard Meier.
- JAPAN**  
Tokyo  
Tokyo Metropolitan Museum of Photography (tel: 32.80.00.31). To Sept. 7: "Photographers Who Created a New Age: 1950-70s." Fashion, advertising and journalistic photography by artists such as Elliot Erwitt, Henri Cartier-Bresson, Helmut Newton, Hosoe Eiko and Tachiki Yoshinori.
- SPAIN**  
Santander  
International Music Festival (tel: 21.052). From July 31 to Aug. 31: Will include performances by the Kirov Opera Theater of Verdi's "Don Carlo" (Aug. 12) and Borodin's "Prince Igor" (Aug. 14).
- SLOVENIA**  
Ljubljana  
International Summer Festival (tel: 221.998). To Aug. 31: An international festival featuring theater, opera and orchestral music. Included are performances by the Moscow State Philharmonic Orchestra, the Slovene Theatre Celje and the Chorus Vilenice, among others.
- SOUTH KOREA**  
Kyongju  
Sonia Museum of Contemporary Art (tel: 753.4243). To Sept. 19: "Celebrating Calder." A retrospective featuring more than 50 mobiles, stabiles, works on paper, jewelry and tapestries.
- UNITED STATES**  
New York  
Museum of Modern Art (tel: 708.9400). To Sept. 28: "Pastime in Prints." The works of more than 50 European and American artists explore different techniques in printmaking. Featuring artists such as Ernst Ludwig Kirchner, Henri de Toulouse-Lautrec and Pablo Picasso.  
San Francisco  
Museum of Modern Art (tel: 252.4000). July 29 to Sept. 19: "John Heartfield: Photomontages." German-born artist John Heartfield is one of the first to use the techniques of modern mass media to question, probe and satirize the tyranny of a political regime. The exhibition features 124 works, including some of the artist's original photomontages.  
Washington  
Corcoran Gallery of Art (tel: 638.3211). To Sept. 8: "Rescuers of the Holocaust: Portraits by Gay Block." These photographs present a collective testimony by surviving witnesses of more than 10,000 individuals who helped hide, protect and rescue Jews during World War II.
- FRANCE**  
Nantes  
Musée des Beaux-arts de Nantes (tel: 40.41.85.85). To Sept. 27: "La Grande Vierge. Les Astres Artéziens." A survey of contemporary African art with works from all over the continent, including Frederic Bruiy-Bouabre (Ivory Coast), Georges Llangbe (Ivory Coast), Boye Isak Kingler (Zaire) and Olympe Tokouagba (Benin).  
Paris  
Musée National d'Art Moderne (tel: 44.78.12.33). To Sept. 19: "Malcolm Morley." Paintings, sculptures and acrylics by the expressionist artist. Also to Aug. 22: "Martin Kippenberger: Candidatura a une Retrospective." Kippenberger has been a central figure in the Contemporary German art scene. His works critique the fears of individuals and the trivialities of reality.
- GERMANY**  
Berlin  
Peter Max Pavilion (tel: 241.5720). To Oct. 3: "Pop Art Retrospective." The new Pavilion presents a retrospective of paintings and drawings by Peter Max. The artist is best known for his psychedelic usage of colors and his series of paintings on the Statue of Liberty.  
Hamburg  
Hamburger Kunsthhaus (tel: 862.605). To Aug. 29: "Picasso: The Period After Guernica." Some 150 paintings, drawings and sculptures from the period between 1937 and 1973.
- INDONESIA**  
Jakarta  
World Trade Center (tel: 521.14.49). To Aug. 8: "Topeng, Bayangan Wajah" (Masks and Vis-
- FINN**  
on Centre (tel: 838.5403). To Sept. 5: "Alan Davie." In these Davie, a British artist influenced by the Edinburgh school, excels in myths and magic originating from Western sources.  
Gallery (tel: 928.88.00). To Oct. 10: "Arslan: Art of the First Slaves." More than 100 works of original artists in a number of media: bark paintings, acrylics, carved ironwood figures and drawings survey the influence of Rembrandt's work on 18th-century European art.  
Wallenstein Riding School (tel: 308.814). To Sept. 28: "The Serenades." More than 100 works by interior avant-garde Czech artists, including paintings, sculptures, architecture, design and photography by artists such as Frantisek Kupka, Jindrich Styrsky, Zdenek Rykr and Alan Davie.
- ICHSLOVAKIA**  
Palace (tel: 231.5135). To Sept. 1: "Rembrandt Hamanszoon." Paintings, sculptures and

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## THE TRIB INDEX: 103.13

International Herald Tribune World Stock Index is composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. Weighting	Close	Prev.	Change
Asia/Pacific	25%	123.08	120.98	+2.10
Europe	40%	95.79	95.79	0.00
N. America	35%	92.58	92.58	0.00

Industry	Change	Industry	Change
Energy	+0.25	Capital Goods	-0.25
Utilities	+0.84	New Materials	-0.19
Finance	+1.16	Consumer Goods	+0.34
Services	-0.42	Manufacturing	-1.50

For readers seeking more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by mailing to: Trib Index, 181 Avenue Charles de Gaulle, 92021 Nanterre Cedex, France.

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## WALL STREET WATCH

### Comprehension Barrier Batters Technology Stocks

**SAN FRANCISCO**—Sometimes it seems as though the technology wizards of Silicon Valley and the investors on Wall Street live on different planets. The Valley says the Street, in its focus on day-to-day news, frequently misses the reality of high technology: that spending on product development generally pays off many quarters down the road.

As far as the wizards around here are concerned, Wall Street is displaying its high-tech myopia once again last week in the savaging of the stocks of Synoptics Communications and Apple.

On Friday, Apple Computer announced cost cuts and a restructuring to cope with price wars in the personal-computer market. It said that a special charge of \$320.9 million to prune expenses and margins would result in a loss for the quarter.

Though the changes should ultimately produce a healthier, more profitable company, Apple's stock that day plunged \$2.25, or 23 percent, to \$7.50 a share. The stock closed Thursday at \$26.50, up 25 cents.

Meanwhile, Synoptics—a maker of products called intelligent hubs, which are key components of modern computers—on the day before Apple's announcement, reported what could only be called stellar earnings for its second quarter. Profit more than tripled, sales more than doubled, and earnings per share met analysts' expectations.

But because the company saw a slight erosion in its gross margin, the stock collapsed 16 percent in a day, to close at \$31.75 a share. It closed Thursday at \$32, down almost \$2 on the day.

This decline in its gross margin? Two percentage points, to 55.5 percent.

The company seems nevertheless to have significant growth potential in both the long and short term. Dataquest estimates Synoptics had a 28 percent share of the intelligent-hub business last year.

But its real growth is likely to come from a new high-speed networking technology called ATM— asynchronous transfer mode—which is likely to dominate both voice and data markets in the future. That potential has caused some Silicon Valley investors to take a very different approach to the stock than Wall Street.

"My impression is what we have here is the best company in a particularly compelling business segment; off 20 percent for no reason," said Roger McNamee, a fund manager at Integral Capital Partners, a Menlo Park, California, investment firm that has taken a large position since the decline of the stock. "Where I come from, that is a buy."

## Cooling Property In China

**BEIJING**—China ordered its military on Thursday to stop using public funds to gamble in property and foreign-exchange trading, in the government's latest attempt to get a grip on a runaway economy.

An order from the Central Military Commission, published in major newspapers, demanded that all illegal uses of funds should be investigated and the culprits punished.

The order came as Vice Premier Zou Jiahua unveiled a 10-step plan to crack down on real-estate speculation that has caused heavy losses to the state.

"Military funds must not be put into personal savings accounts," the Central Military Commission order said. "It is strictly forbidden to speculate in foreign exchange."

The military commission, which commands the 3 million-strong People's Liberation Army, ordered a stop to projects that have nothing to do with defense. "We must responsibly put money to the most productive use," it said. "Projects like high-class hotels, office buildings and holiday villas especially will not be approved at all."

Real estate speculation has turned much of China's countryside into a building site and sent the costs of raw materials soaring.

The China-run Wen Wei Po newspaper said Thursday that the 10-point plan, announced by Mr. Zou at a national conference of land administration officials in Beijing, aimed to restore government control over the use, sale and development of land.

Teams of inspectors will now check all real-estate markets and are empowered to punish tax evaders severely, the official China Daily said.

Local officials have rushed to sell or redevelop land to raise funds for investment. Often land is sold cheaply through contract, rather than public tender, allowing speculators to profit. In some parts of southern China, land speculation has pushed prices to levels close to those in Hong Kong, where prices are among the highest in the world.

China is trying to reassert control over an economy that is overheating. Growth is zooming ahead at nearly 14 percent a year and inflation in major cities is more than 20 percent.

## Draining the Wine Lake EC Hopes to End Surpluses by 2000

**By Tom Buerkle**  
International Herald Tribune  
**BRUSSELS**—Fearing that its budget will be overrun by the floodwaters of its wine lake, the European Community on Thursday proposed new measures to entice vintners to dry up excess production by the end of the decade.

With its people imbibing less and imports rising steadily, the Community's costly wine surplus will grow to some 39 million hectoliters (1.01 billion gallons) annually by the year 2000 without action, Agriculture Commissioner René Steichen said. That amounts to more than 20 percent of projected EC output that year, or about 1.5 bottles of wine for every person in the Community.

The problem is that most of that wine is not palatable, and was never meant to be. Like other areas of EC farm excess, the bulk of the wine surplus is the cheap table variety. Much of it is grown expressly to be sold to the Community for distillation into alcohol fuel.

In the current wine year, for example, Brussels projects a surplus of about 37 million hectoliters. Of that, some 15 million hectoliters will be distilled for use in cognacs, vinegars and other consumable foods and drinks. The remaining 22 million hectoliters will be turned into fuel that will be sold at a big loss, mainly to Caribbean countries.

Disposing of the surplus will burn a 900 million European Currency Units (\$1 billion) hole in the EC budget this year. Other subsidies for enriching wine or taking land out of production will run the Community's overall wine tab up to 1.6 billion Ecu, or roughly 4 percent of the total budget.

The Community pays an average of about 60 percent of the desired market price for wines that are distilled. For many producers of cheap wine, especially in Italy and Spain, that is enough to leave an attractive profit margin.

"We think that distillation should be made more penalizing," Mr. Steichen said. He did not specify how much he would seek to cut the EC buying price, but a spokesman, Gerard Kieley, said, "It'll be very, very low. Nobody will make any money out of it."

## AT&T, MCI Cite Long-Distance As Profits Rise

**NEW YORK**—American Telephone & Telegraph Co. and MCI Communications Corp., the big U.S. telecommunications concerns, both reported strong second-quarter earnings on Thursday and cited increased long-distance business for the gains.

AT&T also reorganized its senior management in an effort to increase revenue from international operations. As part of the executive shuffle, the company named Richard Miller, 52, former chairman and chief executive of Wang Laboratories Inc., executive vice president and chief financial officer.

AT&T said the changes reflected its plan to aggressively enter more international markets. The company is setting up offices around the world in an effort to post 50 percent of its revenue from overseas by the end of the decade, from the current 25 percent.

"Our intent is to build on our recent successes in international markets," said the company chairman, Robert Allen, "globalize the business more quickly and, at the same time, take advantage of new market opportunities that are emerging as a result of the convergence of the communications, computer, consumer electronics and entertainment industries."

AT&T earned \$1.04 billion in the quarter ended June 30, up 9 percent from \$961 million in the like 1992 period. Revenue rose 3 percent, to \$16.3 billion from \$15.8 billion.

The company took a \$287 million restructuring charge in the quarter to cover the cost of a previously announced re-engineering of network operations.

AT&T said long-distance call volume increased about 5 percent but revenue was even with a year ago. Product revenues grew 9 percent, led by network systems and microelectronics components. And its financial-services business revenue, led by the AT&T Universal credit card, was up 39 percent.

MCI said second-quarter profit from operations rose 26 percent, citing a double-digit increase in long-distance traffic. MCI posted second-quarter profit from operations of \$178 million, compared with net income of \$141 million, or 26 cents, a year ago. In the latest period, a charge of \$28 million for the prepayment of debt, resulted in net income of \$150 million.

Revenue rose 12 percent to \$2.93 billion, from \$2.61 billion.

"MCI's strong second quarter amply demonstrates our ability to deliver healthy financial results while setting the stage to take advantage of emerging marketplace opportunities," said Daniel F. Akerson, president and chief operating officer. MCI announced during the quarter a global alliance with British Telecommunications PLC.

## 'Fairness' Debate Opens a New Kind of Trade Gap

**NEW YORK**—Just who is being unfair to whom? President Bill Clinton spent much of his time at the Group of Seven summit meeting in Japan pleading for an even break on trade, but there are those in the United States who say such fairness needs to begin at home.

They argue that U.S. bureaucrats have been playing the same kind of games that outrage American exporters when other governments protect their own economies that is over-heating. Growth is zooming ahead at nearly 14 percent a year and inflation in major cities is more than 20 percent.

Myers who was in charge of the department's trade investigations in the early 1980s, said, "There is no question the courts have been cracking the whip."

Commerce Department officials declined to comment, but people familiar with the department say that Congress—particularly Senator Ernest F. Hollings, the South Carolina Democrat who is chairman of the Senate Commerce Committee—has grown increasingly influential in the department's day-to-day thinking.

Mr. Hollings' staff is not shy about his involvement. "He's an 800-pound tiger out there making sure the dumping laws are enforced," said Andy Brack, a spokesman.

Other defenders of the Commerce Department dismiss the criticism. One senior government official called it "a lot of posturing" in the debate over how to define and deter dumping in the current round of global trade talks.

American law protects domestic industries by various means, including high tariffs (as on shoes), strict quotas (on clothing) and outright bans (on certain shipping services). But the backbone of the system is the series of rules by which to penalize "unfair trade." The most heavily used of these is the rule against dumping.

That rule, first conceived as an antitrust measure to prevent foreign competition from strangling new domestic industries, has grown ever broader in response to interest-group pressures.

As in most other countries, the law in the United States assumes that the practice of selling goods abroad for less than the price charged back home is inherently unfair. But American law goes much further, making it illegal for imported goods to be sold at less than "fair market value"—which

See FAIR, Page 13

## Greenspan Sees Inflation on Wane And Gradual Rise of Interest Rates

**WASHINGTON**—Inflation in the United States went through "a clear simmering down" in May and June, the Federal Reserve Board Chairman Alan Greenspan said Thursday, but he warned that interest rates would rise over time.

In unusually plain language, Mr. Greenspan warned that "at some point rates are going to have to rise up."

Price pressures in the economy are "quite subdued" at the moment, Mr. Greenspan said.

When the Fed sees the first signs of a sustained increase in prices, it will push interest rates higher, Mr. Greenspan declared. "At some point—I frankly don't know when that is—I will have to restore a balance," he said.

The Fed did not see high inflation levels in January, February and April as signaling the start of a prolonged bout of high inflation, Mr. Greenspan said. Rather, they "might be explained by the acceleration of economic activity last year."

Remarks did not indicate any intention to raise short-term rates soon. Sam Kahan, chief economist for Fuji Securities Inc., said.

Source: Reuters, Bloomberg, APX

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**SEARS p.l.c.**  
(CDRs)

The undersigned announces that as from 3 August 1993 at Kas-Associatie N.V., Spuibuurt 172, Amsterdam, div. op. no. 37 of the CDRs Sears p.l.c. will be payable with Dfls. 4.45 per CDR, plus 100 shares (or final dividend for the year ended 31.03.1993) 2.5% per share. Tax-credit Post. 0.625 = Dfls. 1.79 per CDR. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.

AMSTERDAM DEPOSITORY COMPANY N.V.  
Amsterdam, 20 July 1993.

## LIBERTY ALL-STAR WORLD PORTFOLIO

Société d'Investissement à Capital Variable  
2, boulevard Royal  
L-2953 LUXEMBOURG  
R.C. LUXEMBOURG B-25904

Notice is hereby given to the shareholders, that the ANNUAL GENERAL MEETING

of shareholders of LIBERTY ALL-STAR WORLD PORTFOLIO will be held at the offices of Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg on July 30, 1993 at 11.00 a.m. for the purpose of considering and voting upon the following agenda:

1. Submission of the Reports of the Board of Directors and of the Statutory Auditor;
2. Approval of the Statement of Net Assets at March 31, 1993 and of the Statement of Operations for the year ended March 31, 1993; Appropriation of the net results;
3. Discharge of the Directors;
4. Receipt of and action on nomination of the Directors;
5. Miscellaneous.

The shareholders are advised that resolutions on the agenda of the annual general meeting will require no quorum and will be taken on a simple majority of the votes expressed by the shareholders present or represented at the meeting.

In order to attend the meeting of LIBERTY ALL-STAR WORLD PORTFOLIO, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the company or with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

The Board of Directors

## CURRENCY & INTEREST RATES

Currency	30-day	90-day	180-day	360-day	5-year	10-year
U.S. Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Japanese Yen	100.00	100.00	100.00	100.00	100.00	100.00
British Pound	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
French Franc	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
German Mark	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Italian Lira	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Spanish Peseta	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Swedish Krona	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Norwegian Krone	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Danish Krone	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Portuguese Escudo	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Belgian Franc	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Netherlands Guilder	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Australian Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
New Zealand Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
South African Rand	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Israeli Sheqel	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Indian Rupee	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Thai Baht	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Singapore Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Malaysian Ringgit	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Philippine Peso	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Indonesian Rupiah	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
South Korean Won	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Hong Kong Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Taiwan Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Chinese Yuan	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
South African Rand	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Israeli Sheqel	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Indian Rupee	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Thai Baht	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Singapore Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Malaysian Ringgit	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Philippine Peso	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Indonesian Rupiah	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
South Korean Won	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Hong Kong Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Taiwan Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Chinese Yuan	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Country	Rate	Country	Rate
U.S. Dollar	1.0000	U.S. Dollar	1.0000
Japanese Yen	100.00	Japanese Yen	100.00
British Pound	1.0000	British Pound	1.0000
French Franc	1.0000	French Franc	1.0000
German Mark	1.0000	German Mark	1.0000
Italian Lira	1.0000	Italian Lira	1.0000
Spanish Peseta	1.0000	Spanish Peseta	1.0000
Swedish Krona	1.0000	Swedish Krona	1.0000
Norwegian Krone	1.0000	Norwegian Krone	1.0000
Danish Krone	1.0000	Danish Krone	1.0000
Portuguese Escudo	1.0000	Portuguese Escudo	1.0000
Belgian Franc	1.0000	Belgian Franc	1.0000
Netherlands Guilder	1.0000	Netherlands Guilder	1.0000
Australian Dollar	1.0000	Australian Dollar	1.0000
New Zealand Dollar	1.0000	New Zealand Dollar	1.0000
South African Rand	1.0000	South African Rand	1.0000
Israeli Sheqel	1.0000	Israeli Sheqel	1.0000
Indian Rupee	1.0000	Indian Rupee	1.0000
Thai Baht	1.0000	Thai Baht	1.0000
Singapore Dollar	1.0000	Singapore Dollar	1.0000
Malaysian Ringgit	1.0000	Malaysian Ringgit	1.0000
Philippine Peso	1.0000	Philippine Peso	1.0000
Indonesian Rupiah	1.0000	Indonesian Rupiah	1.0000
South Korean Won	1.0000	South Korean Won	1.0000
Hong Kong Dollar	1.0000	Hong Kong Dollar	1.0000
Taiwan Dollar	1.0000	Taiwan Dollar	1.0000
Chinese Yuan	1.0000	Chinese Yuan	1.0000

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Tel. no.: \_\_\_\_\_ Fax no.: \_\_\_\_\_

A General Manager (Prespective)  
September 27 - October 8, 1993  
IBM International Education Centre  
La Hulpe, Belgium (near Brussels)

MARKET DIARY

Inflation Worries Depress Wall Street

That hit a raw nerve because there were rumors that Representative Dan Rostenkowski, the Illinois Democrat who chairs the House Ways and Means Committee, would resign. His staff denied the story, but there were fears the budget bill in Congress would unravel if he did. The bellwether 30-year Treasury bond was 15/32 points lower, at 106, following a 30/32-point drop on Wednesday. Its yield rose to 6.66 percent from 6.62 percent. Chicago & North Western was the most-active New York Stock Exchange issue, down 1/4 to 19 1/4. A 137-million-share secondary offering was priced at \$19.25 a share. Blockbuster Entertainment followed, up 1 1/4 to 24 1/4 after reporting a rise in second-quarter earnings. Camden Property ended at 22 1/4 after an initial public offering at \$22. Colgate-Palmolive slumped 2 to 48 1/4 after a ratings downgrade from PaineWebber. MCI fell 1/4 to 28 1/4, despite a rise in second-quarter earnings. But its stock was risen about 46 percent so far this year. (Bloomberg, UPI)

N.Y. Stocks

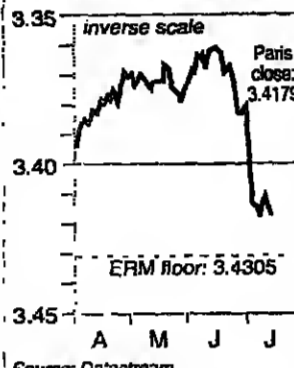
and declining issues on the New York Stock Exchange outnumbered advances by a 7-to-4 ratio. Technology issues weakened for the second straight day, and the Nasdaq over-the-counter index slumped 4.56 points, to 695.52. Alan Greenspan, chairman of the Federal Reserve Board, rattled the markets by warning of tightening by the central bank. In testimony to the Senate Banking Committee, he said that although there had been "a clear simmering down" of inflation in recent months, "somewhere out there, there is going to have to be a rise in real short-term rates." He also warned rates would rise if the government failed to make substantial cuts in the budget deficit.

GRID: Central Banks Intervene

Continued from Page 1 modest interest-rate cuts that did not contravene its fight against inflation. Besides the currency intervention, the Bank of France changed the way it operates in the money market. Instead of providing emergency loans to commercial banks for between five and 10 days, it shortened the period to one day, although it maintained the interest rate at 7.75 percent. It used the same tactic in January, the last time the franc was seriously attacked.

Embattled Franc

Francs per Deutsche mark



Foreign Exchange

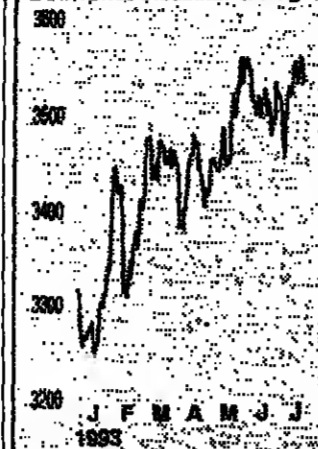
rate at 7.75 percent. It used the same tactic in January, the last time the franc was seriously attacked. The short period allows the central bank to raise its interest rate quickly, reducing the scope of speculators to borrow francs and sell them, hoping to repurchase them more cheaply after a devaluation. In Denmark, the National Bank raised its repurchase rate to 11 percent from 9 percent. But the mark still rose to 3.8850 krooner from 3.8675 in Copenhagen. The mark rose to 80.46 pesetas in Madrid, up from 78.61 late Wednesday. "The heat is on," said a trader at Banesto. "The peseta went through 80 like nothing. Now stand by and watch it fall further. There's massive speculation that the peseta will be devalued again or even suspended from the ERM."

Unemployment figures due this week are expected to show a rise to 22.3 percent at the end of the second quarter from 21.7 percent three months earlier. Spain's key short-term interest rate is now at 11 percent, and with the high level of joblessness and an economy that contracted 1.1 percent in the first

quarter, a cut may be inevitable, analyst said, even if it means a fourth devaluation since last fall. Portugal, whose economic fortunes are linked with those of Spain, saw the mark rise to 100 escudos in London, a record, from 98.05 late Wednesday. The ERM instability helped currencies outside the grid, and the dollar, the pound and the yen were higher, with the Japanese currency showing the biggest advance. In New York, the mark fell to 61.67 yen from 63.70 on Wednesday, while the dollar dropped to 105.400 yen from 108.125. But the dollar strengthened against the European currencies, rising to 1.7043 DM from 1.6976. The pound fell to \$1.5133 from \$1.5156, but it rose to 2.5791 DM from 2.5716. (Reuters, Bloomberg, AFX, Knight-Ridder, UPI, AFP)

The Dow

Daily closings of the Dow Jones industrial average



NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, Last, and Change. Includes stocks like CHNIBW, BAX, and others.

AMEX Most Actives

Table listing AMEX Most Actives with columns for Volume, High, Low, Last, and Change. Includes stocks like Royal, Fyff, and others.

NYSE Diary

Table listing NYSE Diary with columns for Advance, Decline, Unchanged, Total Issues, New High, and New Low.

Amex Diary

Table listing Amex Diary with columns for Advance, Decline, Unchanged, Total Issues, New High, and New Low.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Advance, Decline, Unchanged, Total Issues, New High, and New Low.

Dow Jones Averages

Table listing Dow Jones Averages with columns for Index, High, Low, Last, and Change.

Standard & Poor's Indexes

Table listing Standard & Poor's Indexes with columns for Index, High, Low, Last, and Change.

NYSE Indexes

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NASDAQ Indexes

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AMEX Stock Index

Table listing AMEX Stock Index with columns for Index, High, Low, Last, and Change.

Dow Jones Bond Averages

Table listing Dow Jones Bond Averages with columns for Index, High, Low, Last, and Change.

Market Sales

Table listing Market Sales with columns for NYSE 4 p.m. volume, NYSE 4 p.m. volume, NYSE 4 p.m. volume, NYSE 4 p.m. volume, NYSE 4 p.m. volume.

N.Y.S.E. Odd-Lot Trading

Table listing N.Y.S.E. Odd-Lot Trading with columns for Buy, Sell, and Short.

S&P 100 Index Options

Table listing S&P 100 Index Options with columns for Call, Put, and Open Interest.

EUROPEAN FUTURES

Food

Table listing Food futures with columns for Contract, High, Low, Last, and Change.

Metals

Table listing Metals futures with columns for Contract, High, Low, Last, and Change.

Stock Indexes

Table listing Stock Indexes with columns for Index, High, Low, Last, and Change.

Spot Commodities

Table listing Spot Commodities with columns for Commodity, Today, and Previous.

Dividends

Table listing Dividends with columns for Company, Per Amt, and Pct.

Industrials

Table listing Industrials with columns for Contract, High, Low, Last, and Change.

Grains

Table listing Grains with columns for Contract, High, Low, Last, and Change.

Wheat (CBT)

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Wheat (KCBT)

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Wheat (MKT)

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U.S. FUTURES

Grains

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Table listing U.S. Futures Wheat (MKT) with columns for Contract, High, Low, Last, and Change.

Delta Loss Lower, but 'Unacceptable'

ATLANTA (Bloomberg) — Delta Air Lines Inc. reported Thursday a narrower fourth-quarter loss than had been expected by analysts, and a \$1 billion loss for financial 1993. It was termed an "unacceptable" performance by the company chairman, Ronald Allen. The No. 3 American carrier said its loss in the fourth quarter ended June 30 was \$20.4 million, against \$18.8 million in the comparable 1992 period. Revenue rose 11 percent, to \$3.13 billion from \$2.83 billion. Continental Airlines conceded Thursday in court that it lost more than \$700 million a year on lax maintenance procedures and a poor consumer reputation. President Robert Ferguson, under cross-examination by an American Airlines attorney in an antitrust suit brought by Continental, acknowledged that its poor reputation limited it to 87 percent of the industry average fare in 1992, costing \$500 million.

BankAmerica Doubles Its Earnings

SAN FRANCISCO (Bloomberg) — BankAmerica Corp. said Thursday that second-quarter earnings more than doubled from a year earlier due to the acquisition of Security Pacific Corp. in April 1992. The second-largest U.S. banking company said earnings rose to \$488 million, from \$240 million in the same period a year earlier. The 1992 quarter included charges from the Security Pacific acquisition and a gain from the sale of a payroll-processing business. Excluding those items, income was \$421 million a year earlier.

Salomon Profit Up on Securities Unit

NEW YORK (Bloomberg) — Salomon Inc. said Thursday that second-quarter earnings more than doubled as revenue from working with clients and trading in its Salomon Brothers securities unit surged. The figures exceeded analysts' expectations. Net income at the securities and commodity firm rose to \$433 million from \$211 million a year earlier.

Restructuring Bites Into Dow's Gains

CHICAGO (Knight-Ridder) — Dow Chemical Co. said Thursday that second-quarter earnings fell to \$148 million, including a one-time charge for restructuring and layoffs at its Marion Merrell Dow subsidiary. Results compared with earnings of \$192 million in the same period a year earlier. The company recorded a 180 million pretax charge for planned work-force reductions at Marion Merrell Dow.

InterTan's Banks Demand Payment

FORT WORTH, Texas (Bloomberg) — InterTan Inc., the international operator of Radio Shack, said Thursday its banks had stopped clearing company checks and demanded \$34 million in loan payments. The move threatens InterTan's survival and comes in the wake of a decision last week by its former parent, Tandy Corp., to sever licensing and distribution agreements.

U.S. Unemployed Increase by 24,000

WASHINGTON (AP) — The number of newly laid-off workers filing claims for unemployment benefits jumped by 24,000 last week, the government said Thursday. Some analysts said the jump was due to problems in adjusting for seasonal variations. "The overall situation has not changed," said Samuel D. Kahan, economist at F.J. Securities in Chicago.

For the Record

McDonald's Corp. reported record earnings of \$288.8 million for the second quarter, up 14 percent. Two IBM directors have decided to resign, clearing the way for the company's new chairman, Louis V. Gerstner Jr., to reshape the board. Chrysler Corp. next week will roll out its new Dodge Ram to replace a model virtually unchanged since the 1970s. The Ram's styling recalls that of an 18-wheeler, with a massive grille and bumper. (Bloomberg)

WORLD STOCK MARKETS

Agency France Press July 22

Table listing World Stock Markets with columns for Market, High, Low, Last, and Change. Includes Amsterdam, Helsinki, Hong Kong, Brussels, Frankfurt, London, Milan, Montreal, Sao Paulo, Singapore, Zurich, and Tokyo.

CFTC Limits Dual Trading

WASHINGTON — The Commodity Futures Trading Commission approved on Thursday rules limiting dual trading, which allows brokers to trade for themselves and their customers at the same time. The unanimous vote by the futures market regulator came three years after first proposing a curb on the legal but controversial trading practice, which critics claim creates the potential for conflicts of interest and possible fraud by floor brokers. The curbs will affect only dual trading at the largest futures exchanges in contracts such as wheat, Swiss francs, crude oil, gold and sugar. But CFTC officials noted that exchanges may seek exemption from the new rule.

U.S. FUTURES

Table listing U.S. Futures with columns for Contract, High, Low, Last, and Change. Includes Grains, Wheat, Soybeans, Corn, and other commodities.

U.S. FUTURES

Table listing U.S. Futures with columns for Contract, High, Low, Last, and Change. Includes Metals, Silver, Gold, and other commodities.

# Pilots Join KLM Union Concessions

**Bloomberg Business News**

AMSTERDAM — KLM Royal Dutch Airlines and its pilots agreed Thursday on work conditions that would save the carrier 229 million guilders (\$119.6 million).

Last month, KLM agreed with six other unions that there would be no pay increases in 1994, but the pilots opposed the agreement at the time. But their union has now accepted the conditions to which all of the other workers have agreed.

The terms include an accord that the Dutch flag carrier will not pay premiums on employee pension funds over the next 21 months. KLM said that will save 189 million guilders just for the pilots, in addition to the 300 million savings for the six other unions.

KLM said agreements reached with the pilots' union on other matters would save it an additional 40 million guilders. The pilots' union has agreed to improve productivity by 3.2 percent and will hand over an excess 150 million guilders from its pension fund to KLM to improve the company's debt position.

# Italian Sell-Off Fades One Year On, No Firms Privatized

**Bloomberg Business News**

MILAN — The French government's announcement Wednesday that it would sell its stakes in four companies makes Italy's own asset-sale program look sorry by comparison, and will certainly make it harder to attract international investors to Italy, analysts said Thursday.

Almost a year after the Italian government announced with great fanfare that it planned to sell its stakes in a wide range of companies, not a single company has been sold.

"In France they do it seriously," said Simone Conzatti, an analyst at Gemina-Credit Lyonnais in Milan. The new center-right government in Paris came into power in late March, but already, "They have decided what they want to sell and how they are going to sell."

Analysts blamed a lack of commitment by Rome as well as unreasonable expectations about prices. In June, the government rejected a bid for the investment bank Istituto Mobiliare Italiano from the savings bank Cariplo as too low, and price seems to be a major stumbling block in the sale of bank Credito Italiano SpA and SME Meridionale SpA.

Now Italy's program faces strong competition from across the Alps, at a time when institutional investors are not feeling carefree with their money. "If you have to choose between an Italian and a French privatization, you'd go for the French one almost every time," said a trader at Euromobiliare in Milan.

Analysts and traders said the French asset sale would enjoy greater success not necessarily because their companies are more attractive, but because the program is clearer and decisive.

"It's a question of transparency and credibility," said Gemina's Mr. Simone.

In addition, France has an established track record, having sold off several companies during the right's last stint in power in the late 1980s.

In most cases, the Italian government has not even decided whether it wants to sell its companies directly or float them on the stock market. Convertible government bonds have been talked about, but only in the abstract.

Analysts said Italy did have some interesting companies to sell. But the longer the process drags on without success, the more investors will lose interest, they said.

**Private Sale for Helvet**

The privatization of Banque Helvet will be done via a private sale, while the sale of Elf Aquitaine could be done in tranches, said Economy Minister Edmond Alphandery in separate interviews, wire services reported.

He told Les Echos that Banque Helvet would be sold off-market, by mutual agreement. Credit Commercial de France, which owns 34 percent, has said it would like to take control of the bank when it is privatized.

The minister told Le Figaro that he did not rule out selling the government's 50.8 percent stake in Elf in tranches because of its large size.

# Siemens Reaches Accord on Venture With Skoda Plzen

**Compiled by Our Staff From Dispatches**

PRAGUE — The German industrial giant Siemens AG and the Czech engineering company Skoda Plzen AS have agreed to form a joint venture to make turbines and other equipment for power stations, the companies said in separate statements Thursday.

The new company, Skoda Energo, will be owned 51 percent by Siemens and 49 percent by Skoda Plzen, the statements said. Siemens will invest 620 million Czech koruny (\$20.9 million) in the venture, and Skoda Plzen will invest 600 million koruny.

Skoda Energo is to employ 1,500 people to make steam turbines, condensers and turbine parts. After a start-up period of one to two years, the company's annual sales are expected to total more than 2 billion koruny, Siemens said.

The head of Siemens's KWU energy unit, Adolf Hützl, and Skoda's chief executive, Lubomir Soudek, signed a preliminary agreement Wednesday in the German town of Kitz. A formal contract is expected to be signed by September.

Skoda Plzen, one of the Czech Republic's biggest companies, is unrelated to Skoda Automobilova AS, the Czech carmaker that has a joint venture with Volkswagen AG of Germany.

It was not clear whether the venture would extend to the production of gas turbines, as was envisaged when negotiations began several months ago.

Siemens and Skoda initially envisaged cooperating in both the energy and rail-technology sectors. But the rail venture, as well as the possibility of collaboration on nuclear energy, was ruled out when the Czech electricity company CEZ and Westinghouse Electric Corp. of the United States agreed to build a nuclear-power station at Temelin in the Czech Republic, a project in which Skoda has an interest.

In 1992, Skoda had consolidated sales of 9.5 billion koruny and an after-tax profit of \$8 million. But the group, which employs 21,000 people, is still heavily in debt despite having cut its job rolls nearly in half, from 38,000 in 1990.

(AFP, Bloomberg)

Investor's Europe			
Exchange	Index	Thursday Close	Prev. Close % Change
Frankfurt DAX	180	117.80	116.20 +1.20
London FTSE 100	300	6,723.10	6,739.43 -0.45
Paris CAC 40	210	1,823.82	1,823.81 -0.02
Amsterdam	150	707.24	705.83 +0.20
Brussels	120	1,240.68	1,238.36 -1.48
Frankfurt	100	2,226.30	2,220.10 +0.28
Frankfurt	100	2,820.10	2,814.10 +0.21
Helsinki	100	257.14	258.15 -0.39
Madrid	100	1,216.00	1,231.00 -1.05
Milan	100	1,365.72	1,347.53 +0.93
Stockholm	100	1,417.94	1,405.87 +0.86
Vienna	100	403.53	399.47 +1.02
Zurich	100	807.06	794.00 +1.64

Sources: Reuters, AFP International Herald Tribune

# LOPEZ: German Prosecutors Say 'Valid Case' Is Building in VW Inquiry

**Continued from Page 1**

prosecutors "were ever at VW's disposal."

Nevertheless, VW's stock price fell amid a belief that the investigation was damaging the company's image and performance, regardless of its outcome. The stock ended down at 348.20 Deutsche marks (\$205.19) a share, down 1.50 DM, on the Frankfurt exchange.

In Germany, criminal charges are filed by a prosecutor only after an investigation has been completed. A court then decides whether to hear the case and initiate a trial. The process can take months.

In the meantime, critics of VW are attacking not only Mr. López, but also Ferdinand Piëch, who hired him.

Mr. Piëch has fired six members of VW's management board since he was named chairman in January, a period that has seen a decline in VW's sales and profit.

"The need for explanations is growing," wrote the conservative newspaper Frankfurter Allgemeine Zeitung. "If the suspicion stiffens any further, it gets tight for Mr. Piëch."

Sales of VW, Audi, Skoda and SEAT automobiles fell 12.1 percent worldwide in the first six months of 1993.

While company officials expect global unit sales, revenue and profit to recover by next year, critics say VW's handling of the López affair threatens to undermine its efforts.

"López was hired to cut costs and make production at Volkswagen more lean," Bild wrote in an editorial Thursday. "He can only succeed if he stays out of jail."

"This is a classic case study in poor crisis management," a Frankfurt public-relations specialist said, asking not to be identified.

"It's the side that keeps changing its mind that loses its credibility. VW has gone back and forth, while GM has been saying the same thing all along."

# EC Forbids Italian Aid

**Compiled by Our Staff From Dispatches**

BRUSSELS — The EC Commission said Thursday it had banned payment of nearly \$120 million in Italian public funds to Carriere del Garda, a paper company in Italy owned by the German publisher Bertelsmann AG.

It prohibited payouts that the provincial authorities had offered to the company to locate a big paper-making installation away from a lakeside resort on the edge of Lake Garda.

The commission said the payments amounted to state aid.

Separately, the commission said Austrian government aid to General Motors Austria, Grundig Austria GmbH and Steyr Nuzfahrzeug AG was contrary to Austria's free-trade agreement with the EC.

(Reuters, Bloomberg)

# Very briefly:

- Wellcome PLC said its U.S. unit Burroughs Wellcome Co. had won its legal case to retain its patent for the anti-AIDS drug AZT, or Retrovir; Barr Labs Inc. said it would appeal the ruling.
  - Boots Co. plans to sell its French retail unit BHYS to Althair for 369 million French francs (\$62 million); Boots also said group sales increased 7.7 percent in the first quarter.
  - British car production rose 4.3 percent in June, to 134,753 units, from 129,203 a year earlier, the Society of Motor Manufacturers and Traders announced.
  - West German retail sales dropped 3.2 percent in the first quarter of 1993, while East German retailers managed to boost sales 3.6 percent, the government statistics office said; adjusted for inflation, Western sales were down 5.4 percent.
  - Klüber-Humbold-Deutz AG will reduce its executive board to three members from six, beginning next year.
  - Anglo American Corp. boosted profit in the gold division by 15.7 percent, to 251.1 million rand (\$74.95 million), in the June quarter, but expressed caution about further price gains for the metal; production increased by 1.1 percent in the quarter.
- (AFP, Bloomberg)

# FAIR: Debate Over Commerce Department Actions in Anti-Dumping Cases Opens Up New Kind of Trade Gap

**Continued from Page 11**

it goes on to define as the average cost of production plus 10 percent for overhead costs plus an 8 percent profit margin.

If the Commerce Department finds that dumping has occurred under these rules, and if another federal agency, the U.S. International Trade Commission, decides that American competitors have been injured, penalties equal to the "dumping margin" are assessed.

Many economists, however, question the logic of barring price-cutting when there is no intent to deliver a knockout punch to industry. American consumers, after all, benefit from price competition.

And few economists are willing to defend the law's definition of fair market value. American industries frequently sell goods for less than their average costs — to minimize losses in bad years, for example. Indeed, any American company that has losses is selling at below average cost and thus is "dumping" in its home market.

The dumping law is "just not sensible," concluded Seth Kaplan, director of economic research at Trade Resources Inc. in Washington.

Its supporters argue that it is less biased against imports than are the laws of many other countries. But what is in dispute is the fairness of the procedure used by the Commerce Department to assess dumping charges.

This issue, strangely enough, has its origins in the opposite complaint — that the Treasury Department, which was originally responsible for enforcement, was more interested in good relations with other governments and was too inclined to go easy on foreign companies.

Congress transferred the responsibility to the Commerce Department in 1979 — and now, many of its officials "see themselves as advocates for domestic business," according to Ronald Cass, dean of the Boston University Law School and a former member of the U.S. International Trade Commission.

One common complaint is that the Commerce Department inaccurately calculates and compares prices in the United States and abroad. To determine the value of an imported item in its domestic market, the department computes an average selling price there over a six-month period. But to figure the difference between that value and the American price, the department can — and increasingly does — compare this average with specific individual sales in the United States, rather than an average of many sales.

Mr. Bovard, in his book, charges that the department ignores the impact of artificially pegged exchange rates whenever it suits the protectionist cause to do so.

# Amato Nominated for EBRD

**Agence France-Press**

ROME — Italy has nominated Giuliano Amato, who resigned as its prime minister this year, to succeed Jacques Attali as president of the European Bank for Reconstruction and Development, officials said Thursday.

Mr. Amato, 55, headed the government for nine months and stepped down in April after a referendum on reform of the electoral system. During his term, he launched an austerity program to trim Italy's budget deficit.

Meanwhile, there was no confirmation that Jacques de Larosière, the governor of the Bank of France, who emerged this week as the leading candidate for the European Bank position, had been nominated by France.

The presidency became vacant when Mr. Attali, a Frenchman, left last week after an audit charged him with mismanagement and extravagant spending.

# NASDAQ

**Thursday's Prices**  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	52-Week High	Low	Label	Chg
120	100	IBM	4.00	3.8	12	120	100	IBM	+1.00
100	80	Microsoft	0.00	0.0	15	100	80	Microsoft	+2.00
80	60	Oracle	0.00	0.0	10	80	60	Oracle	+1.00
60	40	Intel	0.00	0.0	12	60	40	Intel	+0.50
40	20	Sun	0.00	0.0	8	40	20	Sun	+0.20
20	10	HP	0.00	0.0	15	20	10	HP	+0.10
10	5	Motorola	0.50	4.5	10	10	5	Motorola	+0.10
5	2	Qualcomm	0.00	0.0	12	5	2	Qualcomm	+0.05
2	1	Lucent	0.00	0.0	10	2	1	Lucent	+0.05
1	0.5	Verizon	0.00	0.0	15	1	0.5	Verizon	+0.02
0.5	0.2	WorldCom	0.00	0.0	10	0.5	0.2	WorldCom	+0.01
0.2	0.1	Earthlink	0.00	0.0	8	0.2	0.1	Earthlink	+0.005
0.1	0.05	NetScout	0.00	0.0	12	0.1	0.05	NetScout	+0.002
0.05	0.02	WebTV	0.00	0.0	10	0.05	0.02	WebTV	+0.001
0.02	0.01	Home Depot	0.00	0.0	15	0.02	0.01	Home Depot	+0.0005
0.01	0.005	Wal-Mart	0.00	0.0	12	0.01	0.005	Wal-Mart	+0.0002
0.005	0.002	Target	0.00	0.0	10	0.005	0.002	Target	+0.0001
0.002	0.001	Walmart	0.00	0.0	15	0.002	0.001	Walmart	+0.00005
0.001	0.0005	Costco	0.00	0.0	12	0.001	0.0005	Costco	+0.00002
0.0005	0.0002	Home Depot	0.00	0.0	10	0.0005	0.0002	Home Depot	+0.00001
0.0002	0.0001	Wal-Mart	0.00	0.0	15	0.0002	0.0001	Wal-Mart	+0.000005
0.0001	0.00005	Target	0.00	0.0	12	0.0001	0.00005	Target	+0.000002
0.00005	0.00002	Walmart	0.00	0.0	10	0.00005	0.00002	Walmart	+0.000001
0.00002	0.00001	Costco	0.00	0.0	15	0.00002	0.00001	Costco	+0.0000005
0.00001	0.000005	Home Depot	0.00	0.0	12	0.00001	0.000005	Home Depot	+0.0000002
0.000005	0.000002	Wal-Mart	0.00	0.0	10	0.000005	0.000002	Wal-Mart	+0.0000001
0.000002	0.000001	Target	0.00	0.0	15	0.000002	0.000001	Target	+0.00000005
0.000001	0.0000005	Walmart	0.00	0.0	12	0.000001	0.0000005	Walmart	+0.00000002
0.0000005	0.0000002	Costco	0.00	0.0	10	0.0000005	0.0000002	Costco	+0.00000001
0.0000002	0.0000001	Home Depot	0.00	0.0	15	0.0000002	0.0000001	Home Depot	+0.000000005
0.0000001	0.00000005	Wal-Mart	0.00	0.0	12	0.0000001	0.00000005	Wal-Mart	+0.000000002
0.00000005	0.00000002	Target	0.00	0.0	10	0.00000005	0.00000002	Target	+0.000000001
0.00000002	0.00000001	Walmart	0.00	0.0	15	0.00000002	0.00000001	Walmart	+0.0000000005
0.00000001	0.000000005	Costco	0.00	0.0	12	0.00000001	0.000000005	Costco	+0.0000000002
0.000000005	0.000000002	Home Depot	0.00	0.0	10	0.000000005	0.000000002	Home Depot	+0.0000000001
0.000000002	0.000000001	Wal-Mart	0.00	0.0	15	0.000000002	0.000000001	Wal-Mart	+0.00000000005
0.000000001	0.0000000005	Target	0.00	0.0	12	0.000000001	0.0000000005	Target	+0.00000000002
0.0000000005	0.0000000002	Walmart	0.00	0.0	10	0.0000000005	0.0000000002	Walmart	+0.00000000001
0.0000000002	0.0000000001	Costco	0.00	0.0	15	0.0000000002	0.0000000001	Costco	+0.000000000005
0.0000000001	0.00000000005	Home Depot	0.00	0.0	12	0.0000000001	0.00000000005	Home Depot	+0.000000000002
0.00000000005	0.00000000002	Wal-Mart	0.00	0.0	10	0.00000000005	0.00000000002	Wal-Mart	+0.000000000001
0.00000000002	0.00000000001	Target	0.00	0.0	15	0.00000000002	0.00000000001	Target	+0.0000000000005
0.00000000001	0.000000000005	Walmart	0.00	0.0	12	0.00000000001	0.000000000005	Walmart	+0.0000000000002
0.000000000005	0.000000000002	Costco	0.00	0.0	10	0.000000000005	0.000000000002	Costco	+0.0000000000001
0.000000000002	0.000000000001	Home Depot	0.00	0.0	15	0.000000000002	0.000000000001	Home Depot	+0.00000000000005
0.000000000001	0.0000000000005	Wal-Mart	0.00	0.0	12	0.000000000001	0.0000000000005	Wal-Mart	+0.00000000000002
0.0000000000005	0.0000000000002	Target	0.00	0.0	10	0.0000000000005	0.0000000000002	Target	+0.00000000000001
0.0000000000002	0.0000000000001	Walmart	0.00	0.0	15	0.0000000000002	0.0000000000001	Walmart	+0.000000000000005
0.0000000000001	0.00000000000005	Costco	0.00	0.0	12	0.0000000000001	0.00000000000005	Costco	+0.000000000000002
0.00000000000005	0.00000000000002	Home Depot	0.00	0.0	10	0.00000000000005	0.00000000000002	Home Depot	+0.000000000000001
0.00000000000002	0.00000000000001	Wal-Mart	0.00	0.0	15	0.00000000000002	0.00000000000001	Wal-Mart	+0.0000000000000005
0.00000000000001	0.000000000000005	Target	0.00	0.0	12	0.00000000000001	0.000000000000005	Target	+0.0000000000000002
0.000000000000005	0.000000000000002	Walmart	0.00	0.0	10	0.000000000000005	0.000000000000002	Walmart	+0.0000000000000001
0.000000000000002	0.000000000000001	Costco	0.00	0.0	15	0.000000000000002	0.000000000000001	Costco	+0.00000000000000005
0.000000000000001	0.0000000000000005	Home Depot	0.00	0.0	12	0.000000000000001	0.0000000000000005	Home Depot	+0.00000000000000002
0.0000000000000005	0.0000000000000002	Wal-Mart	0.00	0.0	10	0.0000000000000005	0.0000000000000002	Wal-Mart	+0.00000000000000001
0.0000000000000002	0.0000000000000001	Target	0.00	0.0	15	0.0000000000000002	0.0000000000000001	Target	+0.000000000000000005
0.0000000000000001	0.00000000000000005	Walmart	0.00	0.0	12	0.0000000000000001	0.00000000000000005	Walmart	+0.000000000000000002
0.00000000000000005	0.00000000000000002	Costco	0.00	0.0	10				

NYSE Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 3 Month High/Low Stock, Div, Yld, PE, 1993, High, Low, Last, Change. Lists various stocks like ABC INVESTMENT SERVICES CO, ABC FUTURE FUND, etc.

Table with columns: 12 Month High/Low Stock, Div, Yld, PE, 1993, High, Low, Last, Change. Lists various stocks like 12 Month High/Low Stock, etc.

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Sales figures are unofficial. Yearly highs and lows reflect the previous 25 weeks plus the current week, but not the trading day. Where a split or stock dividend amounts to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

— dividend declared in preceding 12 months. — dividend declared or paid in preceding 12 months. — dividend declared or paid in preceding 12 months. — dividend declared or paid in preceding 12 months.

INTERNATIONAL FUNDS

Quotations supplied by fund facts. Most asset values are approximated by the fund's last available data.

Table of international funds including ABC INVESTMENT SERVICES CO, ABC FUTURE FUND, etc.

Table of international funds including ABC INVESTMENT SERVICES CO, ABC FUTURE FUND, etc.

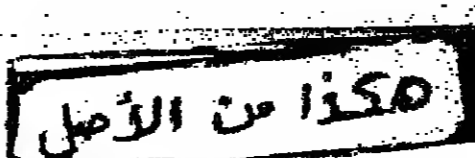
Table of international funds including ABC INVESTMENT SERVICES CO, ABC FUTURE FUND, etc.

Table of international funds including ABC INVESTMENT SERVICES CO, ABC FUTURE FUND, etc.

Table of international funds including ABC INVESTMENT SERVICES CO, ABC FUTURE FUND, etc.

Table of international funds including ABC INVESTMENT SERVICES CO, ABC FUTURE FUND, etc.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.





# SPORTS BASEBALL

## Jays Back in East Lead, But Pitcher Morris Hurt

**The Associated Press**  
 Toronto-Chicago, Kansas City-Baltimore or Seattle-New York. These days, almost every game in the American League looks like a possible playoff preview.

And, in the latest meeting of division leaders, the Toronto Blue Jays beat the White Sox, 4-1, Wednesday night in Chicago despite losing starter Jack Morris to an injury.

Toronto won for just the fifth time in 18 games, but moved a half-game ahead of Baltimore in the East. Chicago, leading the West, lost for only the third time in 12 games.

Ellis Burks opened the second inning with a line drive that hit Morris in the right forearm and glanced off the little finger on his left hand. Morris retired the next three batters, then left the game.

X-rays were negative, and Morris's hand was put in a splint. He was to undergo a bone scan Friday. "I don't think it's broken," Morris said, but added: "Right now it's sore. I can't move my wrist."

Al Leiter relieved Morris and shut out Chicago on two hits for five innings.

Toronto scored twice in the second on Darnell Coles's sacrifice fly and Devon White's RBI single, then got two runs in the seventh on Joe Carter's single and John Olerud's sacrifice fly. Olerud, with one hit in three at-bats, is batting .396.

Royals 8, Orioles 6: Felix Jose's line-drive, two-out, two-run single

### AL ROUNDUP

in the ninth gave visiting Kansas City its victory over Baltimore, which had won four in a row and eight of 10.

Kevin McReynolds and George Brett began the ninth with singles off Greg Olson, who had been good on 17 straight save chances but also gave up a two-run single in the eighth to pinch-hitter Hubie Brooks. Cal Ripken homered and drove in three runs for Baltimore. Billy Brewer struck out the side in the eighth after giving up David Segui's home run, and Jeff Montgomery closed for his 28th save.

A series of moves caused the Orioles to lose their designated hitter, and Olson batted in the eighth and struck out. He was the first Baltimore pitcher to come to bat since Grant Jackson in October 1972.

Mariners 10, Yankees 3: Jay Buhner marked the fifth anniversary of his trade to Seattle by going 5-for-5 in New York to help end Jimmy Key's nine-game winning streak.

He hit his 18th home run, doubled and drove in three runs with his first five-hit game. He was traded in 1988 by the Yankees for Ken Phelps.

Tino Martinez hit a go-ahead, three-run homer in the eighth while Ken Griffey Jr. hit his 24th homer, and scored in two days.

Red Sox 4, Angels 1: Roger Clemens won his second straight start since being sidelined with a groin injury, and Boston, at home, won its sixth straight.

Carlos Quintana gave Clemens all the support he needed with a two-run double in the first against California.

Twins 7, Tigers 2: Jeff Reboulet singled three times as Minnesota completed a three-game sweep in Detroit. The Twins hit five doubles, one by Dave Winfield.

The Twins also set a major league record for the longest streak without a complete game. They haven't had one in 94 games, breaking a tie with the 1991-92 Yankees.

Athletics 7, Indians 2: Scott Hemond hit his first major league homer and drove in five runs as Oakland won in Cleveland.

Hemond had a three-run homer, a two-run double and a single. He began the game with a .197 average and six RBIs.



Chris Gwynn ran into Tim Lincecum en route to a triple as the Royals bumped the Orioles out of first.

## For Kukoc, Dream Is Just Beginning

**By Ira Berkow**  
**New York Times Service**  
 NEW YORK — Unforgettable for Toni Kukoc was the first time he played against the Dream Team in Barcelona last year — which consisted, in this case, primarily of him trying to play one-on-two against Michael Jordan and Scottie Pippen, a feat that even Hercules might have found taxing. Kukoc, in that first-round game, was a marked man, and he knew it.

Jordan and Pippen, angry, irritated, their noses out of joint, vexed and also not terribly pleased, had decided to gang up on Kukoc, the 6-foot, 10-inch Croatian star with the short hair and the long legs.

The two aces of the Chicago Bulls, the champs of the National Basketball Association, were not that Kukoc had become the Cinderella figure to Jerry Krause, known as Prince Charming in this story but who regularly goes by another title, general manager of the Bulls. Krause was romancing Kukoc between continents to play for Chicago, which had drafted him in the second round in 1990. To Kukoc, considered the best player in Europe, Krause was offering visions of glory and greenbacks at a time Pippen was seeking to renegotiate his contract with the Bulls.

Neither Pippen nor Jordan are that crazy about the general manager to begin with. How nice, then, to kill two birds with one stone: showing up Kukoc would be showing up Krause.

How did Kukoc, the great shooter, the dazzling playmaker, the man who had played point guard, shooting guard, small forward and power forward with equal ease, and skill, fare?

"My statistics were zero, zero, zero, zero and seven lost balls," said Kukoc on Wednesday in New York. He smiled. It wasn't quite that bad, though it may have seemed that way.

"No," he amended, "it was four points, one rebound, six assists and, yes, seven lost balls." He hit only two of his 11 shots from the field, missed his only 3-point attempt and shot no foul shots.

He should have been astounded and depressed. In fact, the reverse was true. He was brimming with confidence.

"It was after that game," he said, "that I knew I could play in the NBA, and I decided right then that I would. I knew that I played bad, and that I could play much better. And I hoped also for a second chance against the U.S. team in the Olympics."

He got both his wishes. Kukoc, who is 24, will get his chance in the NBA because Monday he signed with the Bulls for seven years and an estimated \$17.6 million. At the ceremony, Krause held up a white Bulls jersey under Kukoc's chin. This was, for Krause, a moment of huge triumph, like having found a certain charwoman's slipper.

Wednesday, at a news conference at the headquarters of Bestnet Sport System, which sponsored Kukoc's team in Italy, the player said: "The competition will be harder in the NBA, more physical, faster, but I feel sure I can do it."

He also recalled the second game against the Dream Team, which was for the Olympic gold medal. He scored 16 points, he made five

of nine shots from the field, including three of five from 3-point range, and three of three from the foul line. He added five rebounds and nine assists. The Dream Team won that one, too, of course, but Kukoc had demonstrated his abilities.

Afterward, Jordan said to Kukoc, "See you in Chicago."

"He meant it in a nice way," said Kukoc.

Jordan and Pippen had come to respect Kukoc's abilities. When Jordan was asked about Kukoc after the NBA championship series, he said:

"I just want him to get as warm a welcome as he can get. And certainly he's going to have to deal with expectations. I think that's something we're going to have to help him with."

**'If I am good, my teammates will like me. If not, they will want a change.'**  
 Toni Kukoc

But I think it will make our team better. We're banking on him."

"I am good," said Kukoc, "my teammates will like me. If not, they will want a change. This simple."

While he weighs only 225 pounds, he was called Rambo by members of his national team because in drills he was faster and stronger than everyone else.

On questions of his defense, he said: "To play defense well, you must play with the head and the heart. Those are the major skills."

Kukoc met Jordan at a Bulls practice during the NBA playoffs. "I was nervous, but he greeted me very nice," said Kukoc. "He asked about my family. How they were doing. I told him it is difficult, with the war, but they are O.K."

Kukoc's family lives in Split, Croatia, about 50 miles from the territory occupied by the Serbs.

"Our life used to be great before this," he said. "Now there is no more smiling. No more jokes. Now there are alarms in the night. People go to shelters. There is stealing like never before. No electricity during the day. Very grim. One day soon we pray it ends."

A meanwhile, Kukoc will be facing a battle of his own. This one, though, he looks forward to.

**Wells to Coach Clippers**  
**The Associated Press**  
 LOS ANGELES — The Los Angeles Clippers, spurred by Lenzy Wilkens and Hubie Brown, have hired Bob Wells as coach.

Wells, 51, fired by the Atlanta Hawks after last season ended, takes the post vacated when Larry Brown resigned to become coach of the Louisiana Pacers.

Wells had been interviewed early in the selection process by the Clippers.

Byron Scott, who teamed with Magic Johnson in the backcourt during the Los Angeles Lakers' championship years of 1985, 1987 and 1988, has been released as an unrestricted free agent.

## McGriff Tops Debut With 2 Home Runs

**The Associated Press**  
 Is Fred McGriff even better than the Atlanta Braves had hoped he would be?

So far.

McGriff, in his second game with the team, hit two home runs Wednesday — giving him three since he was traded from San Diego — as the Braves pounded the St. Louis Cardinals, 14-2, in Atlanta.

How happy and excited are the fans?

When McGriff came to bat for the second time, a majority of the 45,122 in the stadium stood to watch. When he sent a shot over the

Giants 4, Expos 3: Kirt Manwaring's suicide squeeze in the seventh scored the winning run as San Francisco completed a three-game sweep of visiting Montreal.

The Giants, with their sixth series sweep of the year, moved 32 games over .500 for the first time in 31 years with their 11th victory in 15 games.

Montreal third baseman Sean Barry threw away Mark Carreon's grounder for a two-base error to start the seventh, and Carreon took third on Steve Scarsone's sacrifice punt. Then Manwaring fought off a high, inside fastball to lay down the first suicide squeeze bunt attempted by the Giants this season.

Phillies 7, Dodgers 6: Tommy Greene held the home team to six hits for 8 1/2 innings, and Philadelphia won in Los Angeles with the help of Orel Hershiser's season-high six walks plus three wild pitches.

Astros 5, Pirates 3: Steve Finley hit a two-run double, Chris James hit a sacrifice fly and Luis Gonzalez singled in a run as Houston scored four times in the fifth in Pittsburgh.

Marlins 6, Rockies 4: Pat Rapp, who threw only six breaking balls out of 84 pitches, had six strong innings and drove in two runs as Florida beat visiting Colorado, which fell to 1-6 since the All-Star break.

Cubs 4, Reds 1: Jose Guzman held host Cincinnati to two hits for seven innings and Rick Wilkins' RBI double keyed a three-run eighth for Chicago.

Mets 5, Padres 3: New York won for the fourth time in five games as Eddie Murray hit a two-run homer and Bobby Bonilla and Charlie O'Brien also homered for New York.

### NL ROUNDUP

left-field fence for his second homer, the fans bowed in tribute.

When McGriff botched a ground ball at first in the fourth inning, no one booted. The fans didn't even get upset when he refused to come out for a curtain call.

McGriff, who has a 12-game hitting streak, is 4-for-8 with three runs and five RBIs since Atlanta acquired him Sunday for three minor leaguers. He had three RBIs in Wednesday's game, helping second-place Atlanta stay nine games behind San Francisco in the NL West race.

Can Atlanta make up the difference?

"I've got to believe we can, or I couldn't be here," McGriff said.

Francisco Cabrera hit a grand slam, Terry Pendleton and Ron Gant each homered and had two RBIs, while Greg Maddux allowed only four hits in six innings and, at 19-8, became the Braves' third pitcher to reach double figures in victories.

## Prices for Lodging in Lillehammer Are Soaring to Olympic Heights

**The Associated Press**  
 OSLO — For the 1994 Winter Games at Lillehammer, landlords and athletes share a dream for Olympic gold. The landlords, however, also will accept cash, checks and credit cards.

There are few hotels in Lillehammer, an isolated mountain town of 23,000. So anyone with a spare bed during the February 1994 Olympics may be in for a windfall. Houses have been rented for \$37,000 for the Games, and beds reportedly can fetch \$285 to \$430 a night.

The Games' organizers — and the Norwegian government — fear that all visitors will remember of the 1994 Olympics is the bill.

"You can be sure that no one will come back after the Games if prices run amok like this," said Gerhard Helberg, president of the Lillehammer Olympic Organizing Committee.

The government, with a \$1 billion stake in the Games, has threatened to crack down on those who inflate prices for the Olympics.

"I hope they come to their senses," said Gunnar Berge, the minister of municipalities and labor. "But if we keep getting reports that things are running wild, we will have to consider direct price regulations."

An organizing committee spokesman, Torstein Rudi, said most locals understand that profiteering will hurt them in the long run and are not overcharging. But Lillehammer only has 1,500 hotel beds, and at least 100,000 people a day are expected to attend Olympic events.

"When demand outstrips supply, there can be a few extreme examples," he said. "We are doing everything we can to fight extreme prices."

However, the Oslo newspaper Arbeiderbladet accused the organizing committee of joining the price-gouging.

It said the committee tripled the price of cabins available to the news media to \$9,000 for 20 days from \$2,500 a month this winter.

"That's not fair," Rudi said. "You can't compare them." He said the cabins were sparsely furnished this year but will have hotel-standard service during the Games.

The committee did agree to a \$320 a night rate for rooms in one downtown hotel, more than doubling the current rate of \$154, he said. The committee also accepted triple the current \$100 rate for rooms in nearby Oyer.

Many homeowners appear eager to skip the Games and spend their rental profits on vacations on warm beaches.

"We have never had as many advance reservations as for the period of the Lillehammer Games," Gunnar Grosvold of the Sega Solreiser travel agency said.

The Oslo newspaper Verdens Gang said Kalmir Simonsen rented out his house near the athletes' village for about \$67,000.

"I mentioned a sum to the Japanese who knocked on my door this winter," Simonsen said. "He stuck out his hand and we had a deal."

## Bills' Thomas Gets Record NFL Contract

**The Associated Press**  
 FREDONIA, New York — Thurman Thomas, who trailed Emmitt Smith in the National Football League's rushing race last season, is leading in the financial derby with the fastest contract ever given a running back.

Thomas agreed Wednesday night to a four-year deal with the Buffalo Bills that will pay him \$4 million this year and a total of \$9.5 million the three seasons after that.

His agent, Leigh Steinberg, said that essentially doubles the existing top contract for a running back, Detroit's Barry Sanders. Sanders makes about \$1.7 million a year.

Thomas is the first back in NFL history to lead the league in combined rushing and receiving yards for four straight seasons.

He rushed for a career-best 1,487 yards last season, his fourth straight 1,000-yard season, and third highest in the league behind Dallas' Smith and Barry Foster of Pittsburgh. Both Smith and Foster are holding out.

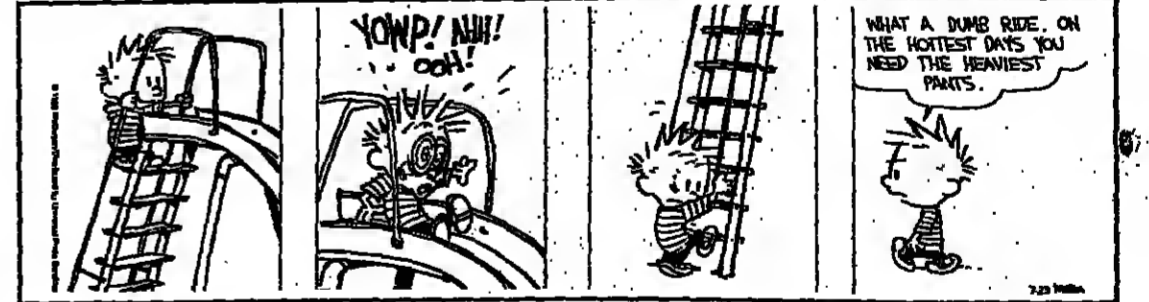
### DENNIS THE MENACE



### PEANUTS



### CALVIN AND HOBBS



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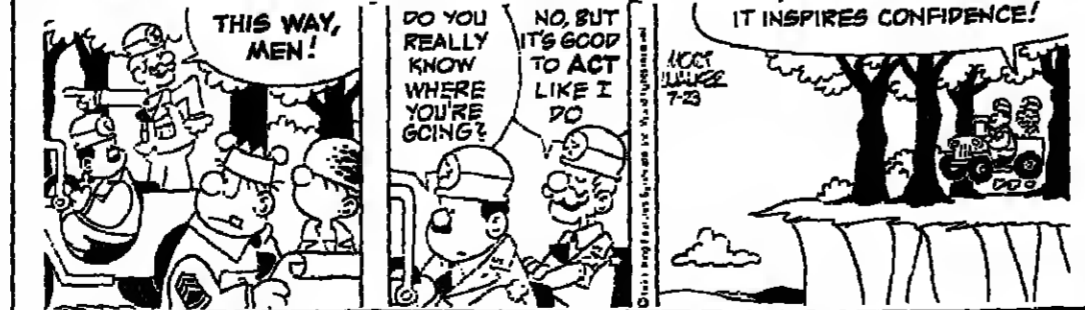
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OBSERVER

Just One of the Boys

By Russell Baker

NEW YORK — You've probably forgotten Charlie Spatz. He was one of the boys. The only one, in fact, ever fired for disgracing his profession. It was a big story in those days.

Marlene Dietrich had told somebody to see what the boys in the back room were having, as she wanted to have the same. Unfortunately for Charlie, he was the only one of the boys left in the back room when Marlene's scout arrived, and what Charlie was having was an ice-cream soda.

Whenever the back room held a full complement of the boys, Charlie had to drink rotgut whiskey. All the boys had to and did. You couldn't get into the boys unless you drank rotgut whiskey when you were in the back room.

With the rest of the boys gone, though, Charlie wanted a refresher that didn't pack so much heartburn. Hence the ice-cream soda. The Associated Press later quoted him: "How was I to know Marlene Dietrich would be hammering it up out front at the bar? You figure maybe Randolph Scott could walk in, or John Wayne, neither of whom needs help from the boys in the back room when deciding what to drink. But a sex symbol from the Weimar Republic? Never."

All this was rehearsed the other day in Charlie's obit, but the writer left out the really interesting part about why Charlie was the only one of the boys available in the back room when Marlene needed help in deciding what to drink.

Earlier that day he and the other boys had been in the locker room dressing for a job for Edward G. Robinson: double-breasted pinstripes, brown-and-white wingtips, purple shirts with yellow neckties. Robinson, who was having trouble collecting protection money from the owner of a small dry-cleaning shop, had told the Warner brothers to "get the boys over here to take this mug for a little ride."

One of the few things Charlie disliked about being one of the boys was taking Edward G. Robinson's disposable small-businessmen for little rides. That's because Charlie was prone to car sickness.

Every time the boys took somebody for a little ride, Guinn (Big

Boy) Williams and Nat Pendleton, the boys' two most notorious fun lovers, tried to make Charlie sick by cornering at high speeds and flinging the car into heart-stopping skids.

On this particular day, Charlie had been hoping Charles Bickford would send for the boys to take care of some white-haired do-gooder like James Stewart.

Even a summons from Walter Brennan for the boys to come shoot it out in a canyon or corral somewhere with Henry Fonda or Victor Mature would have been a welcome outing in fresh air. So when Eddie Robinson called for the boys to handle a little-ride assignment, Charlie made a daring decision.

It was time, he decided, to break out of the faceless anonymity of being just one of the boys. "The boys aren't individual human beings," his wife was always telling him. "They're just another inhuman bloc like the black-hat vote or the double-breasted-pinstripe bloc."

While the rest of the boys waited for the garage to send around their bulletproof 1927 Lincoln touring car, Charlie telephoned the Brooklyn Dodgers. "I have extensive experience in being one of the boys," he said, "and I would like to be come one of the boys of summer."

"Great," said whoever it was on the phone. "Come over to Ebbs Field in Brooklyn and we will see if you can hit the curve on the outside corner."

Charlie was astounded to hear that the boys of summer played in Brooklyn, New York. He had always assumed that the boys of whatever variety were peculiar to Los Angeles. He said he doubted he could be one of the boys of any kind except in L.A. The party in Brooklyn said in that case Charlie might just as well hang up as it would be a cold day ereaters when the Dodgers played in any part of California whatsoever.

By this time the boys had all gone to handle the little-ride job for Eddie Robinson. Spatz, thinking he might as well get ready in case Charles Bickford called, got into his black hat, checked into the back room and made himself an ice-cream soda. In his fury and shame the boys took him for a little ride until he became car sick.

New York Times Service

The New Savoy, Without D'Oyly Carte

By John Rockwell

LONDON — The Savoy Theatre, built by Richard D'Oyly Carte as a home for Gilbert and Sullivan's operettas and opened in 1881, was gutted by fire in February 1990. On Monday night, lovingly restored, it reopened with a black-tie gala, complete with free champagne for all and a banquet afterward in the Savoy Hotel, overlooking the Thames. The only oddity was that the D'Oyly Carte Opera Company was nowhere in sight.

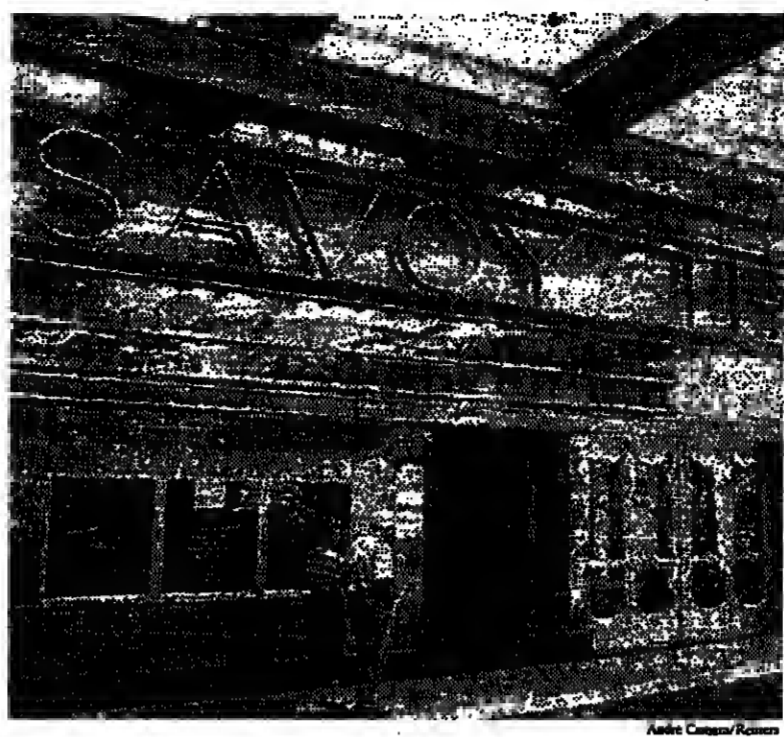
The company's absence has something to do with the faded fate of Gilbert and Sullivan in the modern. Andrew Lloyd Webberish world. But it has even more to do with the perilous state of British arts' finances, both in the commercial West End theater, of which the Savoy would again like to be a part, and in publicly supported arts institutions.

They're very welcome here, if a suitable date can be found. Julian Constant, the general manager of the Savoy Theatre, said of the D'Oyly Carte company. After the match in September and October between Gary Kasparov, the world chess champion, and Nigel Short, the Savoy Theatre has nothing booked. "I contacted them by telephone on several occasions and spoke with them about the possibility of being part of the opening, but it never got anywhere," said Ray Brown, general manager of the D'Oyly Carte company. "They invited the English National Ballet instead. Can you believe it?"

Not that the program offered at the Savoy on Monday night was entirely unrelated to Gilbert and Sullivan. And no one had any complaints about the quality of the restoration. But an obvious occasion for an appropriate historical gesture was missed.

The restoration was not of the 1881 original but of the 1929 Art Deco reconstruction. Although the interior was almost destroyed by the fire, scraps of evidence along with sketches and plans in the Victoria and Albert Museum permitted a re-creation that experts say is eerily exact. Certainly it is handsome, with the ornately carved silver panels designed by Basil Lubbock gleaming again, along with the five earth colors of the seats and curtain. The pale green and yellow accents and the ingenious foyers and corridors tucked into the shell of the original space.

The English National Ballet, Britain's second largest company after the Royal Ballet, was inaugurating a weeklong Savoy season. The company has struggled in recent years, its chairman, the American Pamela Harlech, having dismissed two artistic directors, Peter Schaufuss and Ivan Nagy. But Lady Harlech's social connections, along with those of the present director, Derek Deane, ensured a zippy audience for the opening night.



The Savoy Theatre was renovated in style of its 1929 Art Deco reconstruction.

The most striking element on the program (along with a rather tired and raggedly danced account of the Grand Pas Classique from the third act of "Raymonda") had nothing to do with Gilbert and Sullivan. This was a vigorous, ominous, sexy ballet called "The Seven Silences of Salome," in which seven men danced the Dance of the Seven Veils in sequence. Reflecting the company's international touring and international outlook, this was a Portuguese affair, with choreography by Olga Riza, music by António Emiliano and decor by Nuno Carmilhas, all from Lisbon.

The program did open (with the orchestra pealing forth bravely in the newly expanded pit, which now seats 50) with the overture to Gilbert and Sullivan's "Patience," which baptized the theater 112 years ago. It ended with a new ballet called "Savoy Suite," which intertwaves the tense relationship of the librettist and composer with allusions to their works.

The ballet was choreographed by Wayne Sleep, who danced Gilbert. After a long career with the Royal Ballet, Sleep has in recent years been exploring a kind of pop dance as a choreographer. Carl Davis, the pop-classical composer, arranged the score from Savoyard fragments, including bits from a ballet Sullivan wrote when he was 19.

In an interview, Courtenay said that his first intention, upon surveying the smoking ruins of the theater's interior in 1990, had been to build a brand new theater, "a theater for the 1990s." A meeting with the insurers soon set him right. "They would only fulfill their part of the bargain if it were a restoration, back to the way the policy was taken out," he said. The Savoy organization itself paid for upgrading the backstage machinery and other improvements.

Although one dance critic complained about the small stage and poor sightlines from the upper balconies, the 1,130-seat theater would be ideal for operetta, intimate opera and at least some dance, as well as spoken drama. The trouble is that several other West End theaters are dark during the current recession, and few non-profit performing groups in Britain can afford to play in a space this small, even as an adjunct. "The state of the West End is appall-

ing," Courtenay said. "I talked with the Royal Opera, the English National Opera and Glyndebourne about using the theater this summer, during their rebuilding. We've also had discussions with the Opera Factory — an experimental London troupe led by David Freeman — and we would do that if funding could be provided. What I'm hoping for is a multinational corporate fairy godmother."

That description hardly suits the struggling D'Oyly Carte Opera Company. After a century of keeping the Gilbert and Sullivan flame — the 100th anniversary of the onset of their collaboration was celebrated at the Savoy in 1975 with a retrospective of all their operettas — the company ground to a halt in 1982. It was resurrected six years later, but is now based in Birmingham and spends most of its time touring Britain, with 247 performances in 1992-93, Brown reported.

This season, furthermore, the company has taken a step that might shock longtime D'Oyly Carte nostalgists, at least some of whom, Brown says, "might be considered on the lunatic fringe." This season's repertoire alternated a Gilbert and Sullivan standard, "The Pirates of Penzance," with Offenbach's "Orpheus in the Underworld." Next season, the non-Savoyard offering will probably be Johann Strauss Jr.'s "Fledermaus."

Although it did perform at the Savoy as recently as 1989, the D'Oyly Carte company is now hardly in a position to make a Savoy Theatre engagement pay for either party. The British Arts Council supports few if any Gilbert and Sullivan troupes, apparently figuring they are commercial or recreational or both. Of the D'Oyly Carte's \$3 million annual budget, the bulk comes from the box office, with some \$400,000 in subsidy and services provided by the city of Birmingham.

A larger problem may be the relevance, as commercial popular entertainment, of operettas composed a century ago. Today's public for musicals has flashier baggymen, and since the copyrights lapsed, most Gilbert and Sullivan is performed by established repertory opera companies (the D'Oyly Carte's "Pirates" is a co-production with the Victoria State Opera in Australia). An energetic updating like the Public Theater's "Pirates of Penzance" in Central Park and on Broadway a decade ago was a lot livelier than the D'Oyly Carte's amiable but conventional version, soon recently in the Theatre Royal in Norwich, England.

Still, despite a whiff of provinciality and the company's pointed absence from the Savoy Theatre gala, Brown said audiences had responded warmly to the tour. And, he added, complaints about noncanonical repertory have been few.

PEOPLE

The Ted Kennedy Bio, Part III: 'Rumination'

In defense of faction, Joe McGinniss, in a newly added note to the reader at the end of his already controversial forthcoming book on Edward M. Kennedy, said that "The Last Brother" is "at least as much a 'rumination' as a biography." McGinniss, who uses no footnotes in his book and who was refused interviews by all members of the Kennedy family, said that "the writer should be permitted to employ any techniques he thinks best serve his purpose, so long as he informs the reader, unambiguously, of what he is doing." If you missed the previous episodes, McGinniss's publisher has withdrawn a note that was to have appeared in the book indicating that the author had invented some of the quotes, and historian William Manchester is threatening to sue for plagiarism.

Attention, budding biographers. The Boston Herald quotes a friend of John F. Kennedy Jr. saying that Darryl Hanan is "more serious about marriage than he is" and has given "an ultimatum." In the department of checkable facts, Rose Kennedy turns 103 on Thursday. Son Edward is expected to keep up tradition and give her 103 red roses.

Woody Allen is leaving Tri-Star Pictures to make his next three films with private funds. Tri-Star said. A new arrangement would involve an offer that was "impossible to refuse" from Sweetland Films.

Simone Vanderpump, a 23-year-old cook, said she was sorry for any distress she may have caused by her attempt to publish stories about Sarah Ferguson, the estranged wife of Prince Andrew and her former employer for two years. Her contribution followed a court injunction.

All you need is love. George Harrison complained in court he feels "trapped" by neighbors who walk by a house he built in Hawaii. He was unhappy when he bought the land that it included a right-of-way so others could get to the beach.

INTERNATIONAL CLASSIFIED Appears on Pages 4, 5 & 8

WEATHER

Table with weather forecasts for Europe, including High, Low, Wind, and Precipitation for various cities like London, Paris, and Rome.



Forecast for Saturday through Monday, as provided by Accu-Weather. Major cities in the Northeast will turn wetter and more humid this weekend. The Southwestern states, including Birmingham and Atlanta, will continue to boil in a blistering heat wave. Thunderstorms will drench portions of the upper Midwest with additional heavy rains.

Table with weather forecasts for Asia, including High, Low, Wind, and Precipitation for cities like Bangkok, Hong Kong, and Tokyo.

Table with weather forecasts for Africa, including High, Low, Wind, and Precipitation for cities like Cape Town, Johannesburg, and Lagos.

Table with weather forecasts for Latin America, including High, Low, Wind, and Precipitation for cities like Buenos Aires, Lima, and Mexico City.

CROSSWORD

ACROSS: 1 Build a fortune, 6 Ceiling, 9 Naïf, 13 Smooth Mus., 15 Actress Murnon, 16 Author Ehrenburg, 17 "... richer, for", 18 Vibrating vibrators, 20 Drama vignette, 22 Writer Umberto Eco, 23 East, in Essen, 24 Lampshade style, 27 Noted aircraft manufacturer, 28 Yoko, 29 Wheat, to René, 30 Come to terms, 31 Irrigation contraption, 32 Once more, in Dogpatch, 33 Game bird, 41 Flatted, 42 Indiana pro hoopster, 44 Grandiose, 46 Forage plant, 47 Friend, 50 Silver payback, 51 Zeno's "classroom", 52 Legs Diamond's diamonds, 53 Still, 54 Mother of 14 and 40 Down, 59 Like most lunch braids, 60 Impish one, 61 College in Mich., 62 Ross, for one, 63 Tropical rodent, 64 Euripides' work, 65 Baseball's Rorschach, 66 Over, 67 Sophisticated subject, 68 Badger's cousin, 69 So-so, 70 Having a tuft of soft hair, 71 Like a beach bum, 72 S.P.C.A. candidate, 73 Dry up, as lips, 74 Take it easy, 75 City on the Colorado, 76 Ruminant's food, 77 Ending for cornucopia, 78 "Checun" gold, 79 Pup's cover.

Crossword puzzle grid with clues and a solution to the puzzle of July 22, including words like ALAN, BOSS, SODI, GOLD, ERIE, TORE, AMARA, RAIN, ONLY, SCAB, EUR, RESTORE, STASHED, EDNA, NORA, DELI, SINGING, IN, THE, RAIN, IT, SETS, THE, DUSK, AT, BULB, RAIN, IN, THE, COUNTRY, EAR, TORR, URE, STAG, AMOR, SEDAN, TETE, EASY, LAPS.

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